



**PURCHASING ITEM  
FOR  
COUNCIL AGENDA**

**1. Agenda Item Number:**

**20**

**2. Council Meeting Date:**

July 10, 2014

**TO: MAYOR & COUNCIL**

**THROUGH: CITY MANAGER**

**3. Date Prepared:** June 24, 2014

**4. Requesting Department:** Municipal Utilities

**5. SUBJECT:** Amendment No. 4 extending Agreement No. WD6-890-2297, with HD Supply Waterworks, LTD., for the purchase of water meters and related equipment.

**6. RECOMMENDATION:** Staff recommends City Council approve Amendment No. 4 extending Agreement No. WD6-890-2297, for the purchase of water meters and related equipment, for a two-year term, in a total amount not to exceed \$1,977,500.

**7. HISTORICAL BACKGROUND/DISCUSSION:** The City maintains approximately seventy-eight thousand water meters that are two-inches in diameter or smaller. These meters are used to record water use from residential, landscape, and small commercial customers. In addition to meter maintenance, Staff installs meters for new customers connecting to the City's distribution system. This agreement authorizes the purchase of new meters, replacement meters, and registers compatible with the existing meter reading system and inventory.

**8. EVALUATION PROCESS:** In September 2006, the City entered into agreement with HD Supply Waterworks, LTD., for the purchase of water meters and related equipment. The agreement was for a two-year term with provisions to extend for four (4) additional two-year terms. Pricing for the meters has remained unchanged since 2008. Pricing for the reading equipment has been reduced under this extension.

The term of this amendment is from September 1, 2014, through August 31, 2016. This is the fourth and final two-year extension of the original agreement.

The first and final extension for the purchase of large water meters and meter parts, with HD Supply Waterworks, LTD., is also going forward this council meeting.

**9. FINANCIAL IMPLICATIONS**

Cost: \$1,977,500

Savings: N/A

Long Term Costs: N/A

**Fund Source:**

<u>Acct. Name</u>	<u>Fund Name</u>	<u>Program Name</u>	<u>CIP Funded</u>	<u>Funds</u>
605.3800.0000.5330	Water Operating	New Meters	Non-CIP	\$1,177,500
101.0000.0000.1516	General Fund/Inventory	New Meters	Non-CIP	\$ 500,000
605.3880.0000.5330	Water Operating	New Meters	Non-CIP	\$ 300,000
			<b>Total:</b>	<b>\$1,977,500</b>

**10. PROPOSED MOTION:** Move City Council approve Amendment No. 4 extending Agreement No. WD6-890-2297, for the purchase of water meters and related equipment, for a two-year term, in a total amount not to exceed \$1,977,500.

**ATTACHMENT:** Amendment No. 4

**APPROVALS**

**11. Requesting Department**

  
Gregg Capps, Water Resource Manager

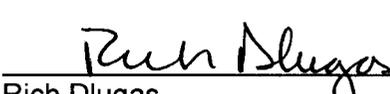
**12. Procurement Officer**

  
Mike Mandt, CPPB

**13. Department Head**

  
Dave Siegel, Municipal Utilities Director

**14. City Manager**

  
Rich Dlugas

AMENDMENT NUMBER FOUR,  
TO AGREEMENT BETWEEN THE CITY OF CHANDLER  
AND  
HD SUPPLY WATERWORKS LTD.  
FOR WATER METERS  
AGREEMENT NO. WD6-890-2297

This Amendment #4 to that certain Agreement between the City of Chandler (CITY) and HD Supply Waterworks (CONTRACTOR) for water meters dated September 1, 2006 (AGREEMENT) is entered into this \_\_\_\_ day of \_\_\_\_\_, 2014.

WHEREAS, the AGREEMENT will expire August 31, 2014,

WHEREAS, the parties have agreed to extend the agreement,

NOW THEREFORE, the parties agree as follows:

1. Section 5, Contract Amount is revised to read as follows: "The total Contract amount to be paid to CONTRACTOR shall not exceed the sum of One Million Nine Hundred Seventy Seven Thousand and Five Hundred Dollars (1,977,500) for the 24-month term of the AGREEMENT as set forth in Paragraph 2 of this Amendment payable as set forth in Exhibit B Revision 2 for the goods and equipment described herein, which sum shall include all costs or expenses incurred by CONTRACTOR."
2. Section 6 of the AGREEMENT is hereby amended to extend the contract for an additional two year term from September 1, 2014 through August 31, 2016.
3. All terms and conditions in the original Agreement including not specifically amended herein shall be incorporated by reference in its entirety and shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have hereunto subscribed their names this \_\_\_\_ day of \_\_\_\_\_, 2014.

CITY OF CHANDLER:

By: \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney

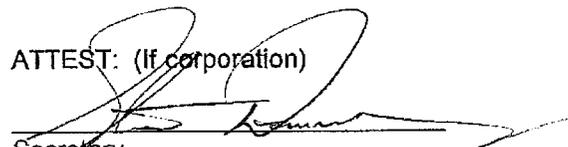
ATTEST:

\_\_\_\_\_  
City Clerk

CONSULTANT:

By:   
Title: Account Manager

ATTEST: (If corporation)

  
Secretary

WITNESS: (If individual or Partnership)

[SEAL]