

**City of Fayetteville Staff Review Form**

**2020-0321**

**Legistar File ID**

**5/5/2020**

City Council Meeting Date - Agenda Item Only  
N/A for Non-Agenda Item

Tim Nyander

4/16/2020

WATER SEWER (720)

**Submitted By**

**Submitted Date**

**Division / Department**

**Action Recommendation:**

The Utilities Department is requesting authorization to purchase 1,000 cellular (Advanced Metering Infrastructure or AMI) meters from Henard Utility Products, Inc. in the amount of \$196,960.00 plus applicable taxes and requesting approval of a budget adjustment.

**Budget Impact:**

5400.720.1840-5811.00	Water and Sewer																														
Account Number	Fund																														
02065.1	Water Meters																														
Project Number	Project Title																														
<table border="0" style="width: 100%;"> <tr> <td style="width: 30%;"><b>Budgeted Item?</b></td> <td style="width: 10%; text-align: center;">Yes</td> <td style="width: 30%; border-bottom: 1px solid black;">Current Budget</td> <td style="width: 10%; text-align: right;">\$</td> <td style="width: 10%; text-align: right;">718,380.00</td> </tr> <tr> <td></td> <td></td> <td style="border-bottom: 1px solid black;">Funds Obligated</td> <td style="text-align: right;">\$</td> <td style="text-align: right;">597,378.50</td> </tr> <tr> <td></td> <td></td> <td style="border-bottom: 1px solid black;">Current Balance</td> <td style="text-align: right;"><b>\$</b></td> <td style="text-align: right;"><b>121,001.50</b></td> </tr> </table>	<b>Budgeted Item?</b>	Yes	Current Budget	\$	718,380.00			Funds Obligated	\$	597,378.50			Current Balance	<b>\$</b>	<b>121,001.50</b>	<table border="0" style="width: 100%;"> <tr> <td style="width: 30%; border-bottom: 1px solid black;">Item Cost</td> <td style="width: 10%; text-align: center;">Yes</td> <td style="width: 30%; border-bottom: 1px solid black;">Budget Adjustment</td> <td style="width: 10%; text-align: right;">\$</td> <td style="width: 10%; text-align: right;">216,163.60</td> </tr> <tr> <td style="border-bottom: 1px solid black;">Remaining Budget</td> <td style="text-align: center;">Yes</td> <td style="border-bottom: 1px solid black;">Budget Adjustment</td> <td style="text-align: right;">\$</td> <td style="text-align: right;">216,164.00</td> </tr> <tr> <td></td> <td></td> <td style="border-bottom: 1px solid black;">Remaining Budget</td> <td style="text-align: right;"><b>\$</b></td> <td style="text-align: right;"><b>121,001.90</b></td> </tr> </table>	Item Cost	Yes	Budget Adjustment	\$	216,163.60	Remaining Budget	Yes	Budget Adjustment	\$	216,164.00			Remaining Budget	<b>\$</b>	<b>121,001.90</b>
<b>Budgeted Item?</b>	Yes	Current Budget	\$	718,380.00																											
		Funds Obligated	\$	597,378.50																											
		Current Balance	<b>\$</b>	<b>121,001.50</b>																											
Item Cost	Yes	Budget Adjustment	\$	216,163.60																											
Remaining Budget	Yes	Budget Adjustment	\$	216,164.00																											
		Remaining Budget	<b>\$</b>	<b>121,001.90</b>																											

V20180321

**Purchase Order Number:** \_\_\_\_\_

**Previous Ordinance or Resolution #** \_\_\_\_\_

**Change Order Number:** \_\_\_\_\_

**Approval Date:** \_\_\_\_\_

**Original Contract Number:** \_\_\_\_\_

**Comments:** Taxes are estimated at \$19,203.60 for a total estimated cost of \$216,163.60.



**MEETING OF MAY 5, 2020**

**TO:** Mayor and City Council  
**THRU:** Susan Norton, Chief of Staff  
**FROM:** Tim Nyander, Utilities Director  
**DATE:** April 16, 2020  
**SUBJECT:** **Henard Utility Products, Inc. - Purchase of Cellular Water Meters**

---

**RECOMMENDATION:**

The Utilities Department is requesting authorization to purchase 1,000 cellular (Advanced Metering Infrastructure or AMI) meters from Henard Utility Products, Inc. in the amount of \$196,960.00 plus applicable taxes, and approval of a budget adjustment.

**BACKGROUND:**

The City of Fayetteville currently utilizes approximately 19,000 drive-by radio-read water meters and 25,000 manual read meters for a total of approximately 44,000 meters. A radio-read meter sends its reading whenever it is pinged once per month by a computer that is in a city truck which is in the vicinity of the meters and can collect hundreds of readings per second. When a radio-read meter fails, it does not send a read and must be read manually. Radio read meters are especially difficult for meter readers to read because they have plastic registers and were not designed for manual reading.

**DISCUSSION:**

The read rate began to severely decline around 2016 at a rate of a few hundred per year until 2018, where the no-read rate dramatically increased and was in the thousands. By 2019 there were over 5,000 meters not reading, placing a heavy strain on our meter readers. A majority of these were in Cycle 5 which has many student apartments with a high turnover rate. Because of this the department chose to install cellular meters (AMI) in apartments. A cellular meter can send reads directly to the business office through the cloud and can be viewed 24/7. It can be used for move-ins and move outs without the need for rolling a truck. Additionally, there is a portal for the customer to interface with.

The decision was made to replace these faulty meters with cellular meters rather than with a conventional meter with radio read capabilities. This was because the Department will soon be selecting a vendor to provide smart metering for the entire service area. Purchasing conventional meters and then trading them out with AMI before their life cycle is complete would not be a good investment of public money. We have chosen areas that are causing difficulties for our meter readers as well as areas that Utility Financial Services (UFS) can utilize and reduce meter department service orders. These areas are locations where the several meters are clustered together in one spot, such as apartment complexes.

To date we have purchased 3,500 cellular meters and 500 cellular endpoints. All of these are installed except for the last 1,000. Some (500) of these have arrived and are being tested and the remaining 500 are being shipped. This has allowed us to install cellular meters at the Cliffs, the Links, the Appleby Apartments, Valley Lake Apartments, and the first portion of the Greens. With this last order of 1,000 meters we plan to complete the Greens, Paradise View, Oakshire I & II Apartments and the Stearns Street Apartments. making the total cellular project 5,000 meters.

The department is requesting to purchase an additional 1,000 cellular meters (for \$196,960) which would allow us to complete Chestnut Apartments, Red Bud Apartments, Park Lake Apartments, and Wood Way Apartments. This project has relieved the stress from our meter readers by solving the no read issue for thousands of meters.

On April 6, 1993, the City Council passed Ordinance 3696, which waived the requirements of formal competitive bidding for water meters.

**BUDGET/STAFF IMPACT:**

Funds are being moved from the Water System Rehabilitation account to the Water Meters account to cover the costs of the new cellular meters. Taxes are estimated at \$19,203.60 for a total estimated cost of \$216,163.60.

**Attachments:**

Quote from Henard Utility Products  
Ordinance 3696  
Budget Adjustment

# QUOTATION

**FROM**  
**HENARD UTILITY PRODUCTS, INC.**  
**P.O. Box 9238**  
**SEARCY, ARKANSAS 72145**  
**PHONE (501)268-1987 FAX (501)268-7437**  
 www.henardutility.com

**INQUIRY NO:** 04102020-1

**DATE** 10 April 2020

**TERMS** Net 30 Days

**DELIVERY** TBD

**PRICES ARE QUOTED F.O.B.**  
Fayetteville, AR

**TO** Fayetteville Water & Sewer

Attn: Harlan Henson

Email: hhenson@fayetteville-ar.gov

**WE ARE PLEASED TO QUOTE AS FOLLOWS:**

QTY.	DESCRIPTION	PRICE EA.	AMOUNT
1,000	Badger Model M25 – 5/8x3/4 Low Lead Bronze Positive Displacement Meter – Plastic Bottom – HR-E LCD 9 Dial Encoder – LTE-M Beacon Cellular Endpoint - US Gallons – Twist Tight Connector – Serial Numbers to be Embossed on Outside of the Lid – Visual Read of 100 Gallons.	\$196.96	\$196,960.00
	Sales Tax @ 9.75%		<u>\$19,203.60</u>
	Total		<u>\$216,163.60</u>
	<b>*Quote Valid until 7/26/2020*</b>		
	*NOTE: Sale tax and freight must be added to your invoice when applicable.		

**QUOTED BY:** George Clayton [georgec@henardutility.com](mailto:georgec@henardutility.com)

ORDINANCE NO. 3696

AN ORDINANCE AN ORDINANCE WAIVING THE REQUIREMENTS OF COMPETITIVE BIDDING FOR THE PURCHASE OF CAST IRON PIPE AND FITTINGS, DUCTILE IRON PIPE, SOIL PIPE, WATER METERS, CLAY PIPE AND FITTINGS, BRASS WATER AND SEWER ITEMS, COPPER PIPE AND FITTINGS, PLASTIC PIPE AND FITTINGS AND STRONG SEAL MS2A FOR THE WATER AND SEWER DEPARTMENT.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FAYETTEVILLE, ARKANSAS:

Section 1. That the Council hereby waives the requirements of competitive bidding for the purchase of cast iron pipe and fittings, ductile iron pipe, soil pipe, water meters, clay pipe and fittings, brass water and sewer items, copper pipe and fittings, and plastic pipe and fittings for the Water and Sewer Department for the reason that said requirements are not feasible because manufacturers and suppliers will not confirm contract prices for a one year period and the aforesaid items are priced on very short term.

Section 2. If possible, competitive quotations shall be taken before any of the aforesaid materials are purchased.

Section 3. The Council hereby determines that the Water and Sewer Department of the City of Fayetteville is in immediate need of the materials enumerated in Section 1 above and will continue to need said materials on a periodic basis; that the requirements of competitive bidding for the purchase of said materials is not feasible for the reasons stated in Section 1 above; and that the passage of this ordinance is necessary to enable the immediate and continuing purchase of said materials without undue cost to the City. Therefore, an emergency is hereby declared to exist and this ordinance being necessary for the public welfare shall be in full force and effect from and after its passage and approval.

PASSED AND APPROVED this 6th day of April, 1993.

APPROVED:

By: *Fred Hanna*  
Fred Hanna, Mayor

ATTEST:

By: *Sherry L. Thomas*  
Sherry L. Thomas, City Clerk

