

Honorable Mayor and Members  
of the City Council  
City Hall  
Torrance, California

**Members of the Council:**

**SUBJECT: General Services/Public Works – Authorize sole-source  
purchasing agreement to furnish Neptune Brand Water Meters**

**EXPENDITURE: Not to exceed \$397,000.00**

**RECOMMENDATION**

Recommendation of the General Services Director and the Public Works Director that the City Council authorize a purchasing agreement with Measurement Control Systems, Inc. of Santa Ana, California in an amount not to exceed \$397,000.00. This purchasing agreement will enable the City to purchase Neptune brand water meters on an "as needed" basis during the period of July 8, 2009 through July 7, 2010, with options to renew annually through the year 2013.

**Funding**

Funding is available in the Conversion of Small Meters to Automated Meter Reading System (AMR), Small Meter Retrofit Program Project (FEAP No. 708) and the Water Enterprise Fund Operating Budget.

**BACKGROUND/ANALYSIS**

During the past three (3) years the City of Torrance has been in the process of converting its water meter reading system from a manual system to a fully automated radio-based AMR (Automated Meter Reading) system. AMR dramatically speeds up the meter reading process and improves data accuracy. In 2006 the City Council authorized conversion to this new AMR system. Accordingly, all new meters installed must include AMR capability.

Currently, the City's meter specifications call for Neptune brand meters. Using the Neptune AMR meter reading equipment ensures compatibility with the meter itself and guarantees vendor accountability and responsiveness in the event that a failure occurs in either the water meter or the AMR system. All current equipment is Neptune and any

change in AMR equipment could result in compatibility issues between the metering device and the AMR system. In addition, a computer interface between Neptune's AMR system and the City's utility billing system has already been developed.

Measurement Control Systems submitted a quote for a one-year purchasing agreement, with option to renew for three additional years. Staff recommends acceptance of that offer which states the following: "Pricing remains the same on the R900i retrofit registers throughout the contract period (through 2013), while meters in the capital project plan increase in price only 3% year-to-year. All other items (funded from the operating budget) will increase 5% year-to-year to account for expected increases in base metal costs and a minimal expected quantity of purchases."

Inasmuch as Measurement Control Systems Inc. is the sole authorized Southern California distributor of Neptune meters, competitive purchasing is unavailable. This purchase therefore falls within the Sole-Source Purchase Exception of TMC § 22.3.17 (b), which states:

"For purposes of this Section, "sole-source purchases" means those purchases where it would be undesirable or impossible for the City to advertise for bids for particular work or for patented items, or experimental or unique services or products, or where competitive purchases would be unavailable or would not prove advantageous for the City.

No sole-source purchases may be made where to do so would show favoritism, improvidence, extravagance, fraud or corruption, or result in the waste of public funds, but may be used only to obtain the best economic result for the public."

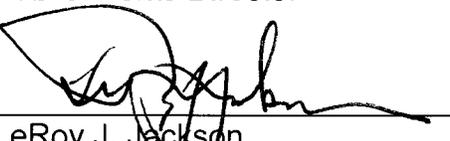
Respectfully submitted,  
SHERYL BALLEW  
General Services Director

  
By David K. Winnett, Jr.  
Fleet Services Manager

CONCUR:

  
Sheryl Ballew  
General Services Director

  
Robert J. Beste  
Public Works Director

  
LeRoy J. Jackson  
City Manager