


VILLAGE OF LOMBARD
REQUEST FOR BOARD OF TRUSTEES ACTION
For Inclusion on Board Agenda
Bids and Proposals

TO : President and Village Board of Trustees
FROM : Scott Niehaus, Village Manager
DATE : April 23, 2021 Agenda Date May 6, 2021
TITLE : Waiver of Bid - Large Water Meter Purchase - Water Resources Inc.
SUBMITTED BY: Brian Jack, Utilities Superintendent 

RESULTS:

Date Bids Were Published _____ Bidding Closed _____
Total Number of Bids Received _____
Total Number of Bidders Meeting Specifications _____
Bid Security Required _____ Yes X No
Performance Bond Required _____ Yes X No
Were Any Bids Withdrawn _____ Yes X No
Explanation:
Waiver of Bids Requested? X Yes _____ No
If yes, explain: See attached memo.
Award Recommended to Lowest X Yes _____ No
Responsible Bidder?
If no, explain:

FISCAL IMPACT:

Engineer's estimate/budget estimate \$230,000
Amount of Award \$201,835.00 Water/Sewer Capital Reserve Fund RM PROG 32
520.790.715.73110

BACKGROUND/RECOMMENDATION:

Award a contract in the amount of \$229,550 to Water Water Resources Inc. of Elgin, IL for the emergency purchase of large water meters.

Has Recommended Bidder Worked for Village Previously X Yes _____ No
If yes, was quality of work acceptable X Yes _____ No

REVIEW (as needed):

Village Attorney XX _____ Date _____
Finance Director XX _____ Date _____
Village Manager XX _____ Date _____

NOTE: All materials must be submitted to and approved by the Village Manager's Office by 4:30 pm, Wednesday, prior to the Board Agenda distribution.

MEMORANDUM



To: Scott Niehaus, Village Manager
From: Brian Jack, Utilities Superintendent *Bj*
Through: Carl Goldsmith, Director of Public Works *CG*
Date: April 21, 2021
Subject: Waiver of Bids – Large Meter Replacements
Water Resources Inc.

Background

At their April 1, 2021 meeting, the Village Board of Trustees authorized a purchase of replacement register heads for water meters sized 3" to 6" for 2021 in the amount of \$37,760.00 and a phased replacement plan of the 1.5" to 2" meters over years 2022 and 2023. These replacements are for meters that were installed in the first phase of the water meter changeout program that begun in 2011. This first phase was to replace all of the larger multi-family, commercial, and industrial accounts as they are the highest consumers of water in the Village.

Staff at the time researched the multitude of water meter manufacturers and made the determination that the Sensus Omni meters provided the best accuracy and performance for accounting of water consumption and revenue collection at the time. As ten years have passed since these Sensus meters were installed, the register heads are failing at an increasing rate and in many cases will not record any consumption. These failures are resulting in loss of consumption records and the need to estimate bills until the meters are repaired or replaced.

As these meters fail, they lose the ability to remotely transmit via radio signal the meter reading to our system requiring us to capture manual reads by visiting the physical meter. Once these meters stop remotely transmitting we are only able to capture a manual read for approximately 60 - 90 days until the meter completely shuts down.

The manufacturer warranties the register heads which are powered by a sealed battery (which is non-replaceable) for recording consumption and transmitting for a 10-year prorated period from the manufactured date. We have provided Sensus with the meter serial numbers and have been provided the manufacture date for each meter. As these register heads fail, staff cross references the manufacture date to determine if there is any prorated warranty remaining before ordering replacements.

Staff has begun replacing the 3" to 6" meter register heads as they fail and are in the process of developing the replacement plan for the remainder of the 128 register heads,

in which the purchase was authorized at the April 1, 2021 meeting, when the are delivered from the manufacturer within the next 30 - 45 days.

Over the past 30 days, the smaller 1.5" to 2" meters that were expected to be phased in over the next two years have been failing at an increasingly rapid rate than originally anticipated. These failing meters will require estimated billing for up to an additional 428 accounts and the loss of total consumption data over time. This loss of data has a layered consequence of; inaccurate consumption of water for revenue, and water audit reporting to the Illinois Department of Natural Resources. Lombard as an allocated Lake Michigan Water Permittee is required to have less than 10% of non-revenue water. Non-revenue water is a percentage of expenditure from water purchased from the DuPage Water Commission and revenue collected from all of our Village of Lombard residential and commercial meters. As a reference, the 2019 IDNR water audit non-revenue water percentage for Lombard was 7.0% and the 2020 IDNR water audit showed an increase of 2.6% for a total of 9.6% non-revenue water which equates to an approximate \$675,000 annually.

The chart below details the total number of Sensus Omni Meters in the system, number of meters repaired or replaced, remaining meters to be repaired or replaced, and the costs associated as of April 16, 2021. Costs for meters that have already been repaired or replaced have been accounted for in the current 2021 Water/Sewer Capital Reserve Fund.

Total of Sensus Omni Meters	669	Remaining Costs
Number of Meters Repaired/Replaced	125	
Number of 3" - 6" Meters Remaining	128	\$37,760*
Number of 1.5" - 2" Meters Remaining	416	\$201,385

*Approved at the April 1, 2021 BoT meeting.

The new Sensus 3" - 6" register head purchase approved at the April 1, 2021 BoT meeting will come with the same 10-year prorated warranty and is a more budget friendly plan as the register heads are a cost of \$295.00 each in comparison to the \$2,100 - \$4,370 cost for full meters. Staff is also recommending replacing the full meters sized 1.5" and 2" with Neptune Water Meters (current water meter system established during the full residential water meter replacement program) as the cost of the meter is more in line with the register head replacement cost and the Neptune Meters come with a full 10-year warranty and 11-20 year prorated warranty.

Core & Main LP is the local distributor of Sensus Meters and equipment and will be the vendor for the register head purchase. Water Resources Inc. of Elgin, IL will be the local distributor of Neptune Meters and equipment for the meter purchases. Staff has been in contact with both vendors regarding product availability and has been assured there will be no delay in receiving inventory.

As this replacement plan was not budgeted for in the FY 2021 budget, staff has used funds in existing Water/Sewer Capital Reserve Fund RM PROG 32 Watermain Maintenance

and Improvements to purchase the 125 register heads and meters already repaired or replaced by Village personnel. However, the remaining \$201,385 is not currently allocated in the 2021 budget and staff is requesting authorization from the Village Manager to approve a contract with Water Resources for the purchase of the meters. Due to the number of impacted accounts and potential inaccuracy in reporting, the Village would like to expedite the replacement of the meters. The Village of Lombard Purchasing Manual provides for emergency purchases in Chapter 3, Section D. Village personnel in the Underground Utilities Division will perform the meter repairs and replacements in-house.

Core & Main LP is the local distributor of Sensus Meters and equipment and will be the vendor for the register head purchase. Water Resources Inc. of Elgin, IL will be the local distributor of Neptune Meters and equipment for the meter purchases.

Recommendations:

Please request the Board of Trustees to approve and emergency purchase for water meters from Water Resources Inc. of Elgin, IL in an amount not to exceed \$201,385.00 for FY 2021 at their May 6, 2021 meeting.



April 22, 2021

Brian Jack
Village of Lombard
255 E. Wilson Avenue
Lombard, IL 60148

Dear Brian:

Water Resources is pleased to provide the following quote to the Village of Lombard upon request. Please see below for details:

<u>Quantity</u>	<u>Description</u>	<u>Cost (Ea.)</u>	<u>Extended Cost</u>
233	1 1/2" T-10 Meters (Flgd) E-Coder Gallons (I/S)	\$395.00	\$ 92,035.00
183	2" x 15.25" Mach 10 Meters Standalone Gallons	\$600.00	\$109,800.00
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		Total Cost for Quote	\$201,835.00

This quotation is valid through December 31, 2021. We appreciate the opportunity to quote on your needs. We would be pleased to discuss any questions at your convenience.

Very truly yours,

Michael D. Pedone

Michael D. Pedone
Water Resources Inc.

MDP/jt

390 Sadler Ave
Elgin, IL 60120
(p) 847.742.3400
(f) 847.697.3700

Scott Niehaus, Village Manager