



HISTORIC  
FRANKLIN  
TENNESSEE

ITEM #17  
WRKS  
10/08/13

## MEMORANDUM

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October 3, 2013

**TO:** Board of Mayor and Aldermen

**FROM:** Eric S. Stuckey, City Administrator  
Russell Truell, Assistant City Administrator / CFO  
Mark Hilty, Water Management Director  
Brian Wilcox, Purchasing Manager

**SUBJECT:** Acknowledge report of sole-source purchase of 500 Sensus model 520M water meter transceiver units (MXUs) from The C.I. Thornburg Co., Inc. of Nashville, TN in the total amount of \$67,500 for the Water Distribution Division of the Water Management Department (\$100,000 budgeted for water meter supplies in 421-83680-52102 for fiscal year 2014)

### Purpose

The purpose of this procurement is to purchase 500 Sensus model 520M water meter transceiver units (MXUs) as inventory for installation over time by City crews. MXUs communicate meter readings from the water meter to the vehicle transceiver unit (VXU), the \$42,000 purchase of which was authorized by the Board on September 10, 2013.

### Background

An August 22, 2013 memo to the Budget & Finance Committee, and included in the September 10, 2013 Board agenda packet, provides background information about the meter reading equipment now being utilized by the City.

Staff is of the opinion that the purchase of Sensus model 520M MXUs is a sole-source purchase. Evidence to support this opinion includes:

- Water meter transceiver units are an integral component of the City's water meter network.
- The City's water meter network is manufacturer-specific.
- The manufacturer, Sensus, has stated in writing that The C.I. Thornburg Co., Inc. of Nashville is the sole source available to the City of Franklin for this purchase.

MXU orders will be placed on a recurring basis as inventory is depleted.

### Financial Impact

The value of this order, \$67,500, is based on the unit pricing of \$135 each. The C.I. Thornburg Co. has stated in writing that the quoted pricing is the lowest municipal unit pricing available at that time and in the foreseeable future for the quantity indicated. City Water Management Department staff is of the opinion that this unit pricing is within what would be expected in the market place for this industry at this time.

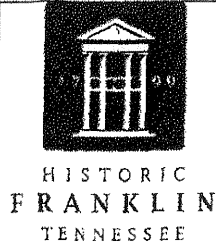
The Water Management Department Water Distribution Division budget for fiscal year 2014 allocates \$100,000 out of the Water Fund for water meter supplies, including MXUs.

### Options

Staff has explored and considered options to purchase of the "M" model MXU, including continuing replacement of aging MXUs with the "R" model.

### Acknowledge report of sole-source purchase

Staff has accepted the pricing quoted by The C.I. Thornburg Co., Inc. of Nashville, TN in the total amount of \$67,500 as a sole-source purchase of 500 Sensus model 520M MXUs for the Water Management Department, and, pursuant to City policy, is hereby reporting the purchase to the Board of Mayor and Aldermen. Purchasing Manager Brian Wilcox is of the opinion that the sole-source nature of the purchase appears to be justified.



# Procurement Requisition

Form No. 3

Request for authorization to execute a purchase (other than for design or construction of new infrastructure and facilities), the total value of which is equal to or more than \$25,000

**Request Date:** September 12, 2013

**Requisitioning Department:** Water Management

**Item Quantity and Description:** MXU Boxes x 500

**Basis for pricing:**

- Pricing established by previous City of Franklin competitive process (details, including date and description, below and/or attached).
- Pricing established by previous competitive process of another governmental agency (details, including date and description, below and/or attached).
- Pricing established by previous competitive process of a cooperative purchasing agreement recognized by the City per T.C.A. § 12-3-1009 (details, including date and description, below and/or attached).
- Sole-source purchase (details, including date and description, attached; note: requires either BOMA approval or reporting to BOMA)
- Emergency purchase (details, including date and description, attached; note: requires reporting to BOMA).
- Purchase is of "secondhand" (used or demonstrator) goods, equipment, materials, supplies, or commodities from any federal, state, or local governmental unit or agency, per T.C.A. § 12-3-1003(a) (details, including date and description, below and/or attached).
- Purchase is of "secondhand" (used or demonstrator) goods, equipment, materials, supplies, or commodities from any private individual or entity, per T.C.A. § 12-3-1003(b) (details, including date, description and documented general range of value, below and attached).
- Pricing established by another process (details, including date and description, attached).

**Vendor:** CI Thornburg *(to be reported to BOMA 10/8/2013)*

**Date of Pricing:** September 12, 2013

**Total Value of Purchase:** 67500.00

**Budget Amount:** N/A *(\$100K in line item)*

**Budget Justification:** Meter Repaired & Replacement Supplies

**General Ledger Account No.:** 421836052102 *8*

**Intended method of payment<sup>1</sup>:**

- Invoice to be paid by City purchasing card<sup>2</sup> issued to Brad Furline
- Invoice to be paid by Accounts Payable<sup>3,4</sup>.
- Invoice to be financed by City<sup>3,4</sup> by means of \_\_\_\_\_
- Invoice to be financed by vendor<sup>3,4</sup>.

**Recommended for Approval:** *Brad Furline*  
(Authorized representative of requisitioning department)

**Recommended for Approval:** *Brian Wilcox*  
(Purchasing Manager)

**Approved:** *Patricia [Signature]*  
(Assistant City Administrator or City Administrator)

<sup>1</sup> If the invoice is to be paid rather than financed, then the City's preferred method of payment is by City purchasing card or, if the vendor declines to accept payment by Visa credit card without surcharge, then by direct deposit -- such as "ACH" or "Electronic Funds Transfer."

<sup>2</sup> Please ask the Purchasing Office to adjust the single-transaction limit and, if necessary, the monthly credit limit on the identified card.

<sup>3</sup> If the vendor has not done business with the City of Franklin within the last two (2) years, please ask the vendor to complete the City of Franklin Vendor Information Form and IRS Form W-9 (both forms available at Inside the City > Finance > Shared Documents > Finance (Payroll and AP) > Accounts Payable) and to return them to the Purchasing Office.

<sup>4</sup> Please ask the vendor to address invoices to: City of Franklin Accounts Payable, P.O. Box 295, Franklin, TN 37065-0295.

\*\* QUOTATION \*\*

S1617177

THE C.I. THORNBURG CO., INC.  
3333 HYDES FERRY ROAD  
NASHVILLE, TN 37218

Page# 1

Bid To:

Ship To:

Acct #13277  
FRANKLIN WATER & WASTEWATER  
405 HILLSBORO ROAD  
FRANKLIN, TN 37064  
Phone # : 615-794-4554

FRANKLIN WATER & WASTEWATER  
405 HILLSBORO ROAD  
FRANKLIN, TN 37064

--Bid-Date---Expr-Date--Writer--Terms-----Ship Via-----  
09/12/13 11/11/13 HUNSTE NET 30 DAYS I65S  
--Purchase Order #-----CTNS / WT----Picker----Loader----Delivered By-----  
520M

Bid-Qty--		Unit Pric	Net
500	SENSUS MODEL 520M MIGRATEABLE (M2) MXU, TOUCHCOUPLED, SINGLE PORT TRANSCIVER UNIT with INTERNAL BATTERY and HOURLY LEAK DETECTION INTERVALS	135.000ea	67500.00

BID TOTAL	67500.00
Bid Amount	67500.00

Extras not listed or spelled out are not included in pricing.

We reserve the right to correct clerical errors.

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