




HISTORIC  
FRANKLIN  
TENNESSEE

ITEM #28  
WRKS  
11/26/13

## MEMORANDUM

November 18, 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 1,000 Sensus model 520M water meter transceiver units (MXUs) from The C.I. Thornburg Co., Inc. of Nashville, TN in the total amount of \$132,000 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 1,000 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. A \$67,500 purchase of 500 Sensus model 520M MXUs was acknowledged by the Board at its October 8, 2013 work session.

### 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, \$132,000, is based on the unit pricing of \$132 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 \$132,000 as a sole-source purchase of 1,000 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.



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