



City of Lovington

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Lovington, NM 88260

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jwilliams@lovington.org

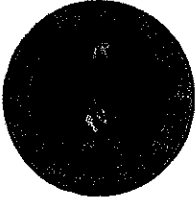
DATE: February 3, 2016

TO: GARY LEE CHAPMAN, FINANCE DIRECTOR

FROM: JAMES R. WILLIAMS, CITY MANAGER

RE: RFP 120115A: Radio Read Water Meter Procurement

After discussions with the NMED, they are not allowing us to proceed with the procurement of the water meters as identified in the above referenced RFP. Although this project was awarded by the City Commission, we cannot proceed due to the involvement of the NMED and the Capital Outlay Funds that are involved. We have been directed by NMED to obtain the meters through sole source procurement. I have uploaded the request through the NM Sunshine portal. A copy has been attached to this memo and will be placed in the project books, the bid book, and uploaded to the City website.



STATE OF NEW MEXICO SOLE SOURCE REQUEST AND DETERMINATION FORM

A sole source *determination* is not effective until the *sole source request for determination* has been posted for thirty (30) calendar days without challenge, and subsequently approved in writing by the State Purchasing Agent or, for Professional Services Agreements, the Secretary of the Department of Finance and Administration. The foregoing requirement is regardless of whether the *sole source request for determination* has been signed by the Agency and/or the Contractor.

I. Name of Agency: City of Lovington

Agency Chief Procurement Officer: Gary Lee Chapman

Telephone Number: 575-396-2884

II. Name of prospective Contractor: Western Industrial Supply

Address of prospective Contractor: 2103 W. 42nd
Odessa, TX 79764

Amount of prospective contract: \$323,550

Term of prospective contract: 12 months

III. Please thoroughly list the services (scope of work), construction or items of tangible personal property of the prospective contract:

Purchase of one thousand (1,000) 3/4" iPERL TR/PL electromagnetic flow measurement system (water meter).

Purchase of one thousand (1,000) 520M SmartPoint radio transceiver that allows for inbound and outbound water measurement

Purchase of one thousand (1,000) 12 5/8" locking lids for meters with AMR shelf.

- IV. Provide an explanation of the criteria developed and specified by the agency as necessary to perform and/or fulfill the contract and upon which the state agency reviewed available sources. (Do not use “technical jargon;” use plain English. Do not tailor the criteria simply to exclude other contractors if it is not rationally related to the purpose of the contract.)

The City of Lovington has been utilizing the iPERL water meters with radio transceivers for multiple years. This system is not only tested, it meets the demands of our water utility and provides for accurate accounting of water consumption by users in our municipality. Several years ago, the City began the installation of this new system. All new meters that are installed are the iPERL type. Recent Capital Outlay appropriations will allow for the remaining 1/3 of the complete water distribution system to be outfitted with the new iPERL water meters and radio transceivers. No other meter or radio transceivers are compatible with the City of Lovington system and to utilize another type of meter would require replacement of many other components of the system and would not be cost effective.

- V. Provide a detailed, sufficient explanation of the reasons, qualifications, proprietary rights or unique capabilities of the prospective contractor that makes the prospective contractor **the one source** capable of providing the required professional service, service, construction or item(s) of tangible personal property. (Please do not state the source is the “best” source or the “least costly” source. Those factors do not justify a “sole source.”)

Western Industrial Supply is the only distributor in this section of the United States that supplies the iPERL meters, 520M Smartpoint radio transceivers, and locking lids that are compatible with the equipment.

- VI. Provide a detailed, sufficient explanation of how the professional service, service, construction or item(s) of tangible personal property is/are **unique and how this uniqueness is substantially related to the intended purpose of the contract.**

The equipment needed is the only type that is compatible with the City's in place radio read water meter system. Other equipment of this type is not compatible and would require the complete replacement of the existing infrastructure and would increase costs substantially.

- VII. Explain why other similar professional services, services, construction or item(s) of tangible personal property **cannot** meet the intended purpose of the contract.

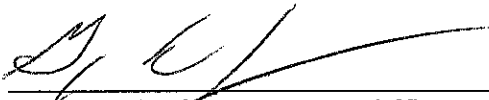
Other radio read water meter systems and equipment are not compatible with the system that is already installed in the City of Lovington.

- VIII. Provide a narrative description of the agency's due diligence in determining the basis for the procurement, including procedures used by the agency to conduct a review of available sources such as researching trade publications, industry newsletters and the internet; reviewing telephone books and other advertisements; contacting similar service providers; and reviewing the State Purchasing Agent's vendor list. Include a list of businesses contacted (**do not state that no other businesses were contacted**), date of contact, method of contact (telephone, mail, e-mail, other), and documentation demonstrating an explanation of why those businesses could not or would not, under any circumstances, perform the contract; or an explanation of why the agency has determined that no businesses other than the prospective contractor can perform the contract.

Several years ago, the City of Lovington researched the implementation of a radio read water meter system. After research and a competitive bid process, the SENSUS system that utilized the iPERL meters and SmartPoint radio transceivers was chosen. Only partial funding was available for the project. In order to obtain complete conversion to the system a phased approach was utilized. A review of the State Purchasing Agents vendor list and purchase agreements does not list this specific equipment. Recent Capital Outlay appropriations will allow the City to achieve 90% completion of the Citywide conversion. City officials did produce an RFP for the purchase of radio read water meters, complete with system specifications. The RFP was issued as the total cost of procurement was estimated to exceed \$60,000 and per procurement code and City policy it was required. Only two responses were received on the deadline of December 1, 2015. The respondents were Western Industrial Supply and Benchmark Supply Company. Western Industrial Supply did provide a response that provided for the compatible equipment. Benchmark Supply Company provided a response that would require the replacement of the entire radio read water meter system and would not allow for completion of the phases identified by the City. After a review of the RFP and responses, the City received direction from NMED to pursue sole source procurement. As Western Industrial Supply was the only RFP respondent that can supply the compatible equipment and they are the only distributor in this area of the US for the SENSUS compatible products, it has been determined that they are the only company that can meet the City's equipment needs for this project.

Certified by:

Date: 2/3/2016



Agency Chief Procurement Officer

Agency Approval by:

Date: _____

Cabinet Secretary/Agency or Entity Head or Designee

APPROVED:

Date: _____

State Purchasing Agent

If this sole source relates to a procurement of general services:

- 1) the signature of the State Purchasing Agent on this form certifies the sole source has been posted for thirty (30) calendar days and has received no challenges;
- 2) the sole source is granted as of the date of signature by the State Purchasing Agent; and
- 3) the signature of the State Purchasing Agent on this form is the final signature required for this sole source procurement.

If this sole source relates to a procurement of professional services:

- 1) the email from State Purchasing or the printout from the SPD database certifies the sole source has been posted for thirty (30) calendar days and has received no challenge(s); and
- 2) the signature of the Cabinet Secretary of the Department of Finance and Administration (below) is required; and
- 3) this sole source is granted as of the date of signature by the Cabinet Secretary of the Department of Finance and Administration.

APPROVED:

Date: _____

Cabinet Secretary Department of Finance and Administration

If this sole source is being submitted by a governmental agency or governmental entity not under the final authority of the State Purchasing Agent or the Department of Finance and Administration, neither the State Purchasing Agent's nor the Department of Finance and Administration Secretary's signature are required. Those signature lines may be removed from this form or marked as N/A.



NEW MEXICO
GENERAL SERVICES DEPARTMENT

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General Services Department



SUCCESSFULLY SUBMITTED

Your form has been submitted and is ready to be approved for posting by our staff

Please take note of this document number : **60-M0064-16-NS003**

If you have questions, wish to provide feedback, or having trouble finding a specific resource, contact SPD at GSD.SPInfo@state.nm.us **XXX-XXX-XXXX**

State of New Mexico - General Services Department

For technical issues send an e-mail to GSD.TechnicalSupport@state.nm.us
2015.01



NEW MEXICO
ENVIRONMENT DEPARTMENT



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RYAN FLYNN
Cabinet Secretary
BUTCH TONGATE
Deputy Secretary

February 2, 2016

Mr. James Williams
City Manager
City of Lovington
214 S. Love Street
Lovington, New Mexico 88260

RE: **Review of RFP and Contract Documents and Bids for City of Lovington Meters
Procurement and Installation Project (SAP 13-1458-STB & SAP 14-1642-STB)**

Mr. Williams:

The New Mexico Environment Department (NMED) Construction Programs Bureau (CPB) has reviewed the information provided regarding the request for competitive sealed proposals (RFP) for the above referenced projects. Procurement and installation of meters were bid separately prior to CPB review. Per Attachment B, Article 1, Paragraph F of the grant agreement, if the grant funds are to be used for construction, the Grantee must submit all plans and specifications to NMED for review and approval before the project is advertised for bids.

The RFP for the referenced projects were received by NMED-CPB on January 11, and the Contract Agreement for installation on February 1, 2016. The RFP was advertised October 24, 2015. Bids were opened December 1, 2015. Two companies submitted a proposal for procurement of meters. One company submitted a proposal for installation of meters. The documents have been reviewed and the NMED-CPB cannot concur with award based on the following:

1. The RFP would have awarded a public works project in excess of \$60,000. Construction of public works projects of \$60,000 or more must have plans and specifications prepared by a registered engineer. The RFP did not include plans or specifications prepared by a registered engineer.
2. The evaluation for both the procurement and installation RFPs were structured to use competitive sealed proposals for construction services although it does not adhere to the requirements specified in 1.4.8 NMAC. The evaluation procedure included consideration of cost that was not submitted in a separately sealed envelope. Cost proposals must be submitted in a separately sealed envelope.

NMED-CPB will work with the City to determine an approach to meet requirements set forth in the Grant Agreement and expedite review of the plans and specifications. Should you have any question or comments, I can be reached at (505) 222-9568 or e-mail at sara.rhoton@state.nm.us.

Sincerely,

Sara L. Rhoton, P.E.
Project Manager

cc: David E. Bishop, P.E. (NMED CPB, e-mail)