



# CITY OF APPLETON

## MEMORANDUM

**Date:** April 29, 2024  
**To:** Utilities Committee  
**From:** Nate Loper, Deputy Director of Public Works  
**Subject:** Sole source award to Badger Meter for water leak monitoring system

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The Department of Public Works recommends awarding the water leak monitoring system to Badger Meter, in amount not to exceed the approved budget amount of \$90,000.

- \$60,000 in account 5353.632700 (devices)
- \$20,000 in account 5353.640800 (contractor fees)
- \$10,000 in account 5351.624200 (software)

Wisconsin Public Service Commission (PSC) Standard 185.85 requires water utilities to develop a water loss control plan if the non-revenue (water loss) is found to be over 15% on the annual water audit. If the Utility exceeds the 15% threshold for over 3 years, the PSC may require a citywide leak detection survey. Failing to satisfy the PSC could result in other measures, such as being required to test and/or replace our water meters every 10 years vs. the previously approved 20-year cycle we are currently approved for. Here are the non-revenue water percentages from the past 5 years.

- 2023 21.0%
- 2022 24.2%
- 2021 22.8%
- 2020 19.9%
- 2019 19.0%

Most water main breaks begin as small leaks, and many go undetected until they eventually get large enough to become visible above the surface. To proactively identify and stop leaks, Badger Syrinix is proposing we install 10 permanently installed devices on critical mains, strategically placed throughout the entire distribution system. In conjunction with this, they recommend utilizing their portable, hydrant mounted devices to take a more targeted approach within various pocket neighborhoods. This system will monitor our distribution network 24/7/365 and will also provide alerts when something has changed. The longer these devices are in place, the better they understand our system and the more accurate the alerts become (like a Nest thermostat in a home). Another very important factor (and reason why Badger Syrinix stands out from the competition) is they have hydraulic analysts on staff that monitor our data, help us understand it, and make recommendations to us to ensure we are getting the most from our system.

During our research phase we did find some alternatives to Badger Syrinix, but none that came close in overall performance and support, and cost was comparable across the board. One option is to hire a company that sets up temporary devices and then reports back with their findings. The biggest downside to this is that we only get a small snapshot in time (few weeks) and the rest of the year our system is not monitored. Another option is to place devices at meters within private buildings, but these units are not as useful since they are installed on a small diameter service and not directly on our mains. Also, most of the other leak detection companies are much smaller, or they work with a third-party company to provide this service.

Another factor in selecting Badger Meter is the strong, long-standing relationship we have with them. They are headquartered in Wisconsin, have been a leader in the metering industry for over a century and their public stock history indicates this isn't changing anytime soon. Badger has earned our respect over the years by partnering with us to solve problems. One example is with our large Sensus meters that were not metering accurately (from a competitor) and they worked with Sensus to ensure the Badger meters would be compatible with our existing Sensus reading system, so we could maintain one billing system instead of two. After all this was confirmed, they sold us meters that were more accurate, at a significant cost savings, and they are still performing as advertised. Badger also brought in their corporate team from across the United States to listen to our water loss concerns and help identify solutions. Together we came up with pages of action steps to reduce our water loss, and they never tried to sell us on their leak detection system; just simply shared they have something if/when we are ready for it. All this advice/consulting was done at no cost to the Utility.

To help us move the needle towards reduced water loss and comply with PSC regulations, we request a sole source purchase with Badger Meter for the Syrinix leak monitoring system, in an amount not to exceed \$90,000.

Thank you for your consideration.



## SOLE SOURCE REQUEST

The undersigned certifies that the commodity/service shown below qualifies as a sole source request and meets one or more of the following requirements. The department has demonstrated, and the Purchasing Manager concurs that only one source exists, the price is equitable, and/or noncompetitive negotiation is in the best interests of the City.

- Unique, proprietary, or one-of-a-kind:** Specific commodity/service is required and available from only one source, giving the City a superior and necessary benefit that cannot be obtained from other sources.
- Inadequate competition:** Purchasing solicitation (bid, proposal, or quote) did not result in any qualified vendor responses and competition is determined to be inadequate.
- Health or Safety Concern:** When a health or safety concern exists that is *not* an immediate threat but needs to be addressed in a period that does not allow for formal competitive procurement procedures.
- Continuity of design:** Consistency with current commodity or service.
- Emergency procurement:** A risk of human suffering or substantial damage to real or personal property exists requiring immediate attention.
- Cooperative purchase:** Purchase from another governmental unit contract or state approved purchasing association.
- Other:** Description provided below

Badger Meter has partnered well with the City and can be relied on for their expertise, knowledge, and performance. They've successfully addressed concerns and identified solutions, making them best suited to provide the most cost-effective water leak monitoring system.

PROPOSED DETAILS
Requesting dept: Public Works
Product/service: Syrinix leak monitoring system
Vendor name: Badger Meter
Total cost: Project not to exceed the approved budget \$90,000

Justification and price quotation provided by the department, for the items to be considered and approved as a sole source purchase attached for review.

Jenifer Huss  
Purchasing Manager

5/01/2024  
Date