



**Finance Committee
Meeting Agenda
January 9, 2024
4:30 PM
City Council Chambers**

City Council Members:

Gayatri Agnew	Ward 1, Position 2
Cindy Acree	Ward 2, Position 1
Bill Burckart	Ward 3, Position 2

*If the public would like to attend virtually, please log on at the following link:

<https://us02web.zoom.us/j/89139307844?pwd=ZWVhRby9RVElhd1pyZzluVmdHZz09>

Call to Order/Roll Call

I. City Council Items To Be Considered

- | | |
|--|-------------------|
| 1. Section II Item 6 on City Council
Agenda: Change Order and Budget
Adjustment for Electric AMI Project for
\$371,930.76 | Ordinance* |
|--|-------------------|

A change order and budget adjustment to Resolution 1-10-23C for additional meters for the Electric AMI project for \$371,930.76. Total cost of the project will be \$5,858,901.05. Approved by Utility Board 4-0. A budget adjustment is needed.



City of Bentonville, Arkansas Agenda Item Form

Item Details

Council Meeting Date:		Submitted By:	
Phone:		For Department(s):	
Email:			

Item Type (Check all that apply)

Informational	Bid Award	Enter into an Agreement	Change Order
Recognizing Funds	Budget Adjustment	Waiver of Bid	Emergency Clause
Ordinance	Resolution	Informational	

Title, Recommendation & Justification

Title:	
Action Recommendation & Justification:	
Additional Comments for Consideration (Optional):	

Amount for Approval:	\$
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Budget Impact

Is this Item Budgeted? YES NO ITEM HAS NO COST OTHER: _____

Budget Adjustment (to be completed by Finance when applicable)

Account Number (ORG-OBJECT)	Account Description	\$	Expense	\$	Revenue
Account Number (ORG-OBJECT)	Account Description	\$	Expense	\$	Revenue
Account Number (ORG-OBJECT)	Account Description	\$	Expense	\$	Revenue
Account Number (ORG-OBJECT)	Account Description	\$	Expense	\$	Revenue

Fund(s) Impacted

(check all that apply)

General Fund

Utility Fund

Street Fund

Other(s): _____

Budget Impact Notes for Consideration (Optional):

December 7, 2023

Ms. Gladys Shoemake
Purchasing Manager
City of Bentonville
1000 SW 14th St.
Bentonville, AR 72712
gshoemake@bentonvillear.com

Subject: AMI Meter Surcharges Memorandum

Dear Gladys,

This memorandum shall serve as notice that Itron, Honeywell, and NEOTech are applying surcharges for the additional AMI meters you're ordering for your AMI deployment as well as the additional order issued to provide inventory for the Bentonville warehouse. Those manufacturers are specifying the following justifications regarding these surcharges since pricing was provided to your organization in February 2022. Note that the 40-year highs in inflation that producers are dealing with go beyond raw materials to include increased manufacturing labor and energy costs.

Increased costs of:

- Labor
- Energy
- Plastics/Resins
- Metals
- Printed Circuit Boards
- Microcontrollers
- Display Drivers
- Circuit-level components
- Packaging Materials

We have negotiated with these suppliers to the best of our ability but as these resulting surcharges are being applied to Eaton we must also apply surcharges to the City. The impact of these surcharges aligns to increases observed in producer pricing indexes for manufacturing electrical equipment over this time period of 15%, resulting in an increase to your February 2022 pricing by approximately 18%. This memo shall serve as a detailed summary and explanation as to the reasons of these surcharges.

Written acknowledgement and acceptance of the provided prices with the applicable surcharges must be received no later than December 15, 2023 to receive the pricing presented. If the requisite acknowledgement is not received by this date these units will be subject to additional surcharges.

Sincerely,


Jim Roche
Product Line Manager – Smart Grid | AMI & DR
Eaton
Minneapolis, MN 55444


City of Bentonville - Bentonville, AR

Quoted By: Dan Scrima, Jill Skarsten, Jim Roche

Eaton RF AMI Pricing - Additional Meters for Deployment

Quote Date: November 9, 2023

Revision #2

Units	Units of Measure	Original Price	Unit Surcharges	Unit Price w/ Surcharges	Unit Price w/ Surcharges & Shipping	Total Price w/ Surcharges & Shipping
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Residential Electric Meters

Itron C1SX

RFN-410cL Itron Centron C1SX - Residential Meter with Integrated RF Node

RFN-410cL Itron Centron C1SX - FM2S CL320 240V with Integrated RF Node	473	each	\$190.00	\$ -	\$190.00	\$197.60	\$93,464.80
RFN-410cL Itron Centron C1SX - FM3S CL20 120V/240V with Integrated RF Node	21	each	\$159.00	\$ 32	\$191.00	\$198.64	\$4,171.44

Itron C25XD (Integrated Disconnect)

RFN-420cD Itron Centron II C25XD - Residential Meter with Integrated RF Node

RFN-420cD Itron Centron II C25XD - FM2S CL200 240V with Integrated RF Node	510	each	\$129.00	\$ 26	\$155.00	\$161.20	\$82,212.00
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Total Residential Electric Meters

\$179,848.24

Commercial & Industrial Electric Meters

Honeywell Elster A3 ALPHA

RFN-430A3 Honeywell Elster A3 ALPHA - C&I Meter with Integrated RF Node

RFN-430A3 Honeywell Elster A3 ALPHA (TOU, kVAR Enabled) - FM2S CL200 120-480V with Integrated RF Node	0	each	\$350.00	\$ 65	\$415.00	\$431.60	\$0.00
RFN-430A3 Honeywell Elster A3 ALPHA (TOU, kVAR Enabled) - FM2S CL320 120-480V with Integrated RF Node	0	each	\$377.00	\$ 70	\$447.00	\$464.88	\$0.00
RFN-430A3 Honeywell Elster A3 ALPHA (TOU, kVAR Enabled) - FM3S CL20 120-480V with Integrated RF Node	0	each	\$350.00	\$ 65	\$415.00	\$431.60	\$0.00
RFN-430A3 Honeywell Elster A3 ALPHA (TOU, kVAR Enabled) - FM4S CL20 120-480V with Integrated RF Node	0	each	\$350.00	\$ 65	\$415.00	\$431.60	\$0.00
RFN-430A3 Honeywell Elster A3 ALPHA (TOU, kVAR Enabled) - FM5/35S CL20 120-480V with Integrated RF Node	0	each	\$350.00	\$ 65	\$415.00	\$431.60	\$0.00
RFN-430A3 Honeywell Elster A3 ALPHA (TOU, kVAR Enabled) - FM6/36S CL20 120-480V with Integrated RF Node	0	each	\$350.00	\$ 65	\$415.00	\$431.60	\$0.00
RFN-430A3 Honeywell Elster A3 ALPHA (TOU, kVAR Enabled) - FM8/9S CL20 120-480V with Integrated RF Node	40	each	\$350.00	\$ 65	\$415.00	\$431.60	\$17,264.00
RFN-430A3 Honeywell Elster A3 ALPHA (TOU, kVAR Enabled) - FM12S CL200 120-480V with Integrated RF Node	168	each	\$350.00	\$ 65	\$415.00	\$431.60	\$72,508.80
RFN-430A3 Honeywell Elster A3 ALPHA (TOU, kVAR Enabled) - FM12S CL320 120-480V with Integrated RF Node	0	each	\$377.00	\$ 70	\$447.00	\$464.88	\$0.00
RFN-430A3 Honeywell Elster A3 ALPHA (TOU, kVAR Enabled) - FM14/15/16S CL200 120-480V with Integrated RF	45	each	\$350.00	\$ 65	\$415.00	\$431.60	\$19,422.00
RFN-430A3 Honeywell Elster A3 ALPHA (TOU, kVAR Enabled) - FM16S CL320 120-480V with Integrated RF Node	94	each	\$377.00	\$ 70	\$447.00	\$464.88	\$43,698.72
RFN-430A3 Honeywell Elster A3 ALPHA (TOU, kVAR Enabled) - FM45S CL20 120-480V with Integrated RF Node	22	each	\$350.00	\$ 65	\$415.00	\$431.60	\$9,495.20

Total C&I Meters

\$162,388.72

Professional Services

Meter Installation

Residential Electric Meter Installation (1S, 2S (CL200 & 320), 3S, 4S meters)	1,004	each	\$17.30	\$ -	\$17.30		\$17,369
Commercial Electric Meter Installation (9S, 12S, 16S/15S meters)	369	each	\$33.40	\$ -	\$33.40		\$12,325

Total Meter Installation

\$29,694

Shipping Calculation

Shipping at 4% of Total Hardware						INCLUDED ABOVE
Shipping Total						\$0.00

Grand Total for Purchase Order (as quoted)

\$371,930.76

Unit Surcharges shown above are due to increased cost of labor and materials, including plastics, resins, metals, printed circuit boards, microcontrollers, display drivers, additional circuit-level components, and packaging materials that will be applied to the production of these units by Itron, Honeywell, and NEOTech and passed on to Eaton.

This bid contains confidential material that constitutes either (1) trade secrets and (2) commercial or financial information, the disclosure of which would cause substantial competitive harm to Eaton. Unprotected information is identified herein with yellow highlighting. Anything not highlighted in yellow shall be assumed protected.

This quotation and all the information contained in it are considered to be the confidential information of Eaton and shall not be disclosed to any third party without the express written consent of Eaton, which consent shall be within the sole discretion of Eaton. Quotation and line item pricing is valid through December 15, 2023 shipping prior to March 15, 2024.

RESOLUTION NO. 1-10-23 C

A RESOLUTION AUTHORIZING THE MAYOR AND CITY CLERK TO ENTER INTO AN AGREEMENT WITH CANNON TECHNOLOGIES, INC. (D/B/A/ EATON CORPORATION) FOR AN ELECTRIC AMI SYSTEM; AMENDING THE 2023 BUDGET UTILIZING SCR RESERVES; APPROVING A SCR RESERVE REPAYMENT PLAN; AND FOR OTHER PURPOSES.

WHEREAS, in 2020 the City was informed that Mueller Systems, Inc. would no longer support or supply electric meter infrastructure associated with the current AMI system;

WHEREAS, Eaton Corporation was selected using the City's RFP process; and

WHEREAS, utility fund stabilization and contingency reserves (SCR) are needed to fund this purchase and will be replenished pursuant to the attached repayment plan.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BENTONVILLE, ARKANSAS THAT:

Section 1: The Mayor and City Clerk are authorized to enter into an agreement with Eaton Corporation, in the amount of five million two hundred seventy-nine thousand one hundred seventy dollars and twenty-nine cents (\$5,279,170.29), for the purchase of a new AMI system for electric infrastructure;

Section 2: The 2023 Budget is amended to appropriate monies from utility fund SCR as shown below:

General Ledger Account Information*				
Org (Department)	Object	Account Description	Revenue + (-)	Expense + (-)
503010	39091	Use of Reserves	\$ 5,486,970.29	
503010	47310	Improvements Other than Building		\$ 5,279,170.29
503010	47310	Improvements Other than Building		\$ 10,000.00
503010	43410	Professional Services/Other		\$ 197,800.00
Totals			\$ 5,486,970.29	\$ 5,486,970.29
Net Impact on Fund Balance			\$	-

Section 3: Utility fund SCR monies shall be replenished as shown in the attached Exhibit "A";

Section 4 - Severability Provision: If any part of this Resolution is held invalid, the remainder of this Resolution shall continue in effect as if such invalid portion never existed; and

Section 5 - Repeal of Conflicting Provisions: All Ordinances, Resolutions, or Orders of the City Council, or parts of the same, in conflict with this Resolution are repealed to the extent of such conflict.

PASSED this 10 day of JANUARY, 2023

Attest:

[REDACTED]

KIRBY ROMINES, City Clerk

APPROVED:

[REDACTED]

STEPHANIE ORMAN, Mayor



RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE MAYOR AND CITY CLERK TO ENTER INTO A CHANGE ORDER TO THE AGREEMENT WITH CANNON TECHNOLOGIES (EATON) FOR THE FOR THE PURCHASE OF ADDITIONAL METERS; APPROVING A BUDGET ADJUSTMENT IN THE AMOUNT OF THREE HUNDRED SEVENTY-ONE THOUSAND NINE HUNDRED THIRTY DOLLARS AND SEVENTY-SIX CENTS (\$371,930.76) FROM UTILITY FUND RESERVES TO ACCOUNT# 503010-47310 – IMPROVEMENTS OTHER - ELECTRIC; AND FOR OTHER PURPOSES.

WHEREAS, the City of Bentonville Electric Utilities Department entered into an agreement with Cannon Technologies (Eaton) for the purchase of meters related to the AMI Project;

WHEREAS, a change order is required to cover additional meters due to new development; and

WHEREAS, a budget adjustment in the amount of three hundred seventy-one thousand nine hundred thirty dollars and seventy-six cents (\$371,930.76) from Utility Fund Reserves to Account# 503010-47310 – Improvements Other - Electric will fund this change order.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL FOR THE CITY OF BENTONVILLE, ARKANSAS.

Section 1: That the Mayor and City Clerk are hereby authorized to enter into a change order to the agreement with Cannon Technologies (Eaton), to purchase additional meters;

Section 2: A budget adjustment in the amount three hundred seventy-one thousand nine hundred thirty dollars and seventy-six cents (\$371,930.76) from Utility Fund Reserves to Account# 503010-47310 – Improvements Other - Electric should be and the same is hereby approved to fund this change order;

Section 3 - Severability Provision: If any part of this Resolution is held invalid, the remainder of this Resolution shall continue in effect as if such invalid portion never existed; and

Section 4 - Repeal of Conflicting Resolutions: All Ordinances, Resolutions, or Orders of the City Council, or parts of the same, in conflict with this Resolution are repealed to the extent of such conflict.

PASSED and APPROVED this _____ day of _____, 2024.

APPROVED:

ATTEST:

STEPHANIE ORMAN, Mayor

KIRBY ROMINES, City Clerk