

## Water Meter and AMR Replacement Project- Issue Request for Award Consulting Services Contract

<b>Date</b>	May 19, 2020
<b>To</b>	Public Works and Infrastructure Committee
<b>From</b>	Financial Strategy & Sustainability
<b>Service Area</b>	Assessment, Tax & Utility Billing
<b>Item No.</b>	PWI20-4

### RECOMMENDATION

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The Public Works and Infrastructure Committee recommends that City Council:

1. Delegate the authority to the Executive Director of Financial Strategy and Sustainability, or designate, to negotiate, award, and enter into a contract (including any later amendments to the contract) with the highest-ranked proponent from the Water Meter and AMR Replacement-AMI Consultant Negotiated Request for Proposal (NRFP)
2. Direct the City Clerk to execute a contract with the highest-ranked proponent upon review and approval of the City Solicitor.

### ISSUE

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The City's current fleet of water meters and Automated Meter Reading system (AMR or "drive-by" system) are reaching projected end of life and therefore, require replacement. This is an opportunity to move to an Advanced Metering Infrastructure (AMI) system to collect time-differentiated consumption data through a fixed collection network. Given the scope and complexity of these systems and large scale of the installation, the City is seeking the services of an experienced Water Meter and AMI Consultant. As these services are essential to the successful completion of the Water Meter and AMR Replacement Project, Administration has issued a Negotiated Request for Proposals (NRFP) for these services.

We require City Council to delegate the authority to negotiate and award the contract to the Executive Director, Financial Strategy & Sustainability. Delegation of this authority is desirable as the City is required to conduct a competitive procurement process for these services. City Council is authorized to delegate this authority to the Executive Director of Financial Strategy & Sustainability.

## **IMPACTS**

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### **Financial Impacts**

The total upset cost for consulting services will be approximately \$2,000,000 over the anticipated four-year duration of the Water Meter and AMR Replacement Project. The total project budget is \$43,372,000. This project was submitted as part of the five-year Utility Capital Program in the 2019 Utility Budget process.

There are no accessibility, environmental or other implications or considerations.

## **OTHER OPTIONS**

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The second option is to proceed with the project without consultant support or a reduced consultant role. City staff would then be responsible to deliver the project functions. This approach would require an increase in the number City staff assigned to the project; taking away from their current responsibilities; and it would require the hiring of more subject matter experts.

A project of this scope and complexity requires specialized subject matter expertise specific to water in the area of advanced metering infrastructure. A key to success of this project will be leveraging the experiences of other utilities and municipalities and following plans that have already been successful. Without having a project team with extensive experience in the procurement, public communication, installation and implementation of AMI systems the City risks problematic execution, cost over-runs and increased project duration.

## **COMMUNICATIONS**

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Proponents will be notified when the contract is awarded pursuant to the City's Purchasing Policy and the successful proponent will be posted on SaskTenders.

## **DISCUSSION**

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The City provides water and sewer service to approximately 76,000 customers. Automated Meter Reading (AMR) was introduced in 2002. As the City's fleet of water meters and its AMR system is approaching the end of its service life, the City is preparing to implement a Water Meter Exchange Program and AMR Replacement Project.

The landscape of the water meter industry has dramatically changed over the last two decades since our last major system overhaul, with the introduction of more complex and

highly technical products and software. The evolution of these multifaceted products and services has created enormous opportunities for municipal water utilities to move beyond the functions of simply capturing a meter read solely for billing purposes. AMI systems will allow both the City and customers to see real-time water consumption data. This will not only aid in water conservation initiatives but also greatly improve leak detection abilities. Overall, these systems help water utilities increase efficiency and improve operations through the ability to investigate, diagnose and solve water distribution problems and provide customers with greater insight and control into their water usage.

The complexity, scale and profile of this project will require a consultant that will serve as water meter, AMI technology and installation subject matter expert throughout the project. The consultant will provide the City with clear, comprehensive and nonpartisan advice and help us choose and install the right water meter and AMI solution to meet our needs. They will also provide City staff with great opportunities for knowledge transfer and development not only through the formal training programs that the consultant will help create and deliver but also through guidance and mentorship.

The Executive Director, Financial Strategy & Sustainability issued approval to initiate a NRFP for professional Water Meter and AMI Consulting Services on January 14, 2020. The scope of the contract includes end-to-end turnkey consulting services including but not limited to project planning, hardware/software system supply and installation procurement, communication plan development and system installation oversight.

This consultant will have extensive experience in Canadian municipal water utility markets. They will have a proven track record of vendor neutrality, budget and timeline forecasting accuracy and experience developing and executing public outreach strategies. The following are examples of services the City identified in the NRFP:

- Current water meter fleet and AMR system assessment.
- Risk Management Strategy.
- Capital cost estimate and business drivers review.
- Project support.
- Develop internal training program for City staff
- Procurement; assistance including drafting water meter and AMI system specifications.
- Communications and Project Coordination.
- Public Outreach and Education.
- Program management services.
- Water Meter and AMI system hardware installation oversight.

A detailed NRFP was developed with Procurement to ensure the acquisition process is in accordance with *The Regina Administration Bylaw* and *The Policy for Acquisition of Goods, Equipment and Services*. The NRFP was advertised through an opportunity notice posted to the SaskTenders website on January 17, 2020. The City is evaluating the

proposals to select a proponent that best meets the criteria and scope of work outlined in the NRFP.

**DECISION HISTORY**


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None with respect to this report.

The recommendations contained within this report require City Council approval.

Respectfully Submitted,

Respectfully Submitted,



Deborah Hayden, Director, Assessment, Tax & Utility Billing 5/11/2020



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