



Legislation Text

File #: 15-309, **Version:** 1

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SUBJECT: Agreement with National Meter & Automation, Inc., DBA Badger Meter, for a Cloud Based Automatic Meter Reading System and Amendment with SunGard Public Sector as Part of the Water Meter Retrofitting Program Project 108068

REPORT IN BRIEF

Consider entering into a 10-year agreement with National Meter & Automation, Inc., DBA Badger Meter, for a Cloud Based Automatic Meter Reading System, and amending the contract with SunGard Public Sector to develop an interface and module as part of the Water Meter Retrofitting Project.

RECOMMENDATION

City Council - Adopt a motion:

- A. Approving the Master Agreement with National Meter & Automation, Inc., DBA Badger Meter, for the Cloud Based Automatic Meter Reading System as part of Project 108068; and,
- B. Approving the contract amendment with SunGard Public Sector for interface and module development as part of Project 108068; and,
- C. Authorizing the City Manager to execute the necessary documents.

ALTERNATIVES

- 1. Approve the Master Agreement with Badger Meter and contract amendment with SunGard Public Sector, as recommended by staff; or,
- 2. Approve, subject to modifications as conditioned by City Council; or,
- 3. Refer to staff for reconsideration of specific items; or,
- 4. Deny and reject all agreements.

AUTHORITY

Charter of the City of Merced, Section 200, et seq. and Section 3.04.120 of the Merced Municipal Code.

CITY COUNCIL PRIORITIES

As provided for in the 2015-16 Adopted Budget.

DISCUSSION

Background

In January 2014, the Governor of California declared a drought state of emergency, calling for all Californians to reduce water consumption by 25%. Following another exceptionally dry year, the Governor extended his declaration and made an Executive Order calling for more stringent water conservation efforts and imparting the State Department of Water Resources with the authority to implement needed measures to assure that Californians reduced water usage by 25%. In May 2015, the State placed the City of Merced in a 36% mandatory water reduction tier.

The City convened an Ad Hoc committee to discuss water conservation and recommend changes to achieve the 36% reduction. It was decided a necessary component to achieve the mandated reduction would be the City's conversion from unmetered water utility accounts to metered accounts. The Director of Public Works - Water Resources and Reclamation received the approval of the City Manager to make an emergency purchase of 10,800 Badger Water Meters to expedite the City's conversion to water meters. On June 1, 2015, City Council confirmed the emergency purchase and affirmed the facts constituting such urgency to meet the State Emergency Drought and Water Conservation Executive Orders.

Concurrent with these efforts, the City applied for a grant from the State Department of Water Resources for the 2014 Water-Energy Grant. The City's proposal was aimed at a high water savings through the conversion to water meters, and a high Green House Gas (GHG) emissions reduction by upgrading the existing drive by meter reading system to a Cloud Based Automatic Meter Reading/Infrastructure (AMI/AMR) system. Upgrading to an AMI/AMR system allows for cellular collection of water meter usage data and eliminates the need for staff to physically drive a meter route each month to collect data, causing a net GHG emissions reduction. On June 25, 2015, staff was notified the City of Merced had been awarded the \$2.5 million Water-Energy Grant.

Since June, City crews have installed approximately 10,500 meters as part of the Water Meter Retrofitting Project, with about 300 meters remaining to be installed. It is anticipated that this phase of the project will be completed in the very near future. The next phase of the project includes installing the AMR transmitters to each of the 20,675 meters throughout the City, which includes the newly installed meters as well as the older meters already integrated into our current billing system.

Once the transmitters have been fully installed and integrated with the meters we can "turn the switch" and begin to read meters and bill customers at the metered rate. "Turning the switch" involves some software interface development on the part of our billing system vendor, SunGard Public Sector, to allow a mass integration of data.

Cloud Based AMI/AMR System Selection Process

City staff prepared a Request for Proposals (RFP) for a Cloud Based AMI/AMR System. The RFP was advertised on the City's website and a total of 3 proposals were received.

In August 2015, an evaluation team composed of staff from Public Works and Engineering reviewed and scored the proposals. One proposal did not meet the RFP specifications, as it was for a Fixed Based Star Network AMI/AMR. Below are the scores out of a possible 160 points:

Cloud Based AMI/AMR

- National Meter & Automation (Santa Rosa, CA) 149 points

- Mentron-Farnier (Boulder, CO) 113 points

Fixed Network

- Delta Engineering Sales/Aclara (Downingtown, PA) 89 points
 **Did not meet bid specifications and requirements. A fixed network requires additional infrastructure and hardware that would need to be purchased and maintained by the City. A fixed network depends upon line of sight between collector and meter; requiring annual clearance and would need to be expanded as the City grows.

Not including the initial costs of meters already purchased, both companies that can provide a Cloud Based AMI/AMR have built in on-going maintenance/hosted software fees. National Meter's on-going charges amount to \$0.82 per month per account verses Mentron-Farnier's ongoing charges of \$1.00 per month per account. National Meter uses all cell carriers for transmitting data, Mentron-Farnier is tied to only one carrier.

Staff noted that National Meter was the only company to reach out to SunGard, our billing system vendor, to explore how their data could integrate with our current system. National Meter even got a quote for the software interface needed to modify the SunGard product for ease of entry of initial data and billing meter reads. This work amounts to a one-time payment of \$8000 to SunGard for either National Meter's or Mentron-Farnier's AMI/AMR system. SunGard estimates that there will be a \$600 annual cost for this interface.

Staff from the Water, Finance, and IT departments also met with SunGard to determine the feasibility of a mass upload module to upload and change all flat rate accounts to meter rate accounts at one time. SunGard's quote for the development of this product is a one-time \$20,000 charge.

IMPACT ON CITY RESOURCES

Funds 556-1118 and 557-1106 contain sufficient funding to over the project costs to completion. Additionally, the \$2.5 million Water-Energy Grant from the Department of water Resources can be used to reimburse the City for purchasing the meters, professional services, and other implementation expenses incurred.

Capital Improvement Project -108068

Budget - Water Meter Installation

Original Project Estimate	\$5,000,000
Expenses from 2015-2016	\$2,824,384
Reimbursable Grant Funds	\$2,500,000
SunGard Charges	\$28,000
Badger Meter Cost	
Training	\$1,470
AMI Network Installation	\$3,950
AMI/AMR transmitters for 20,675 (@ \$85.86)	\$1,775,156
Total One-Time Costs	\$1,808,576

Estimated Annual Charges*

SunGard	\$600
Badger -Hosted AMI Reading Data Management Software at \$0.82/per month per account for 20,675 accounts	\$203,442

* Grant eligible expense

ATTACHMENTS

1. Map of Flat Rate Accounts
2. Map of Existing Metered Accounts
3. RFP Final Scoring
4. SunGard's Development of Meter Interface Quote
5. SunGard's Mass Import Quote
6. Price Proposal National Meter
7. Badger Meter Master Agreement