



AGENDA MEMO

6/18/2013 Agenda

TO: Honorable Mayor and City Council

FROM: Jacob Speer, Assistant Director of Public Works

SUBJECT: Contract with Itron, Inc. for purchase and installation of automated water meter reading system

BACKGROUND:

Two years ago, staff began investigating products and methods for improving our meter reading operations. The focus was on improving our customer service abilities and the cost of obtaining meter readings. Our research led us to a concept known in the industry as “advanced metering infrastructure” (AMI). An AMI involves the following:

- Fully automated meter reading data collection through the use of wireless, 2-way data transmission for the purposes of increased meter reading efficiency and workforce safety.
- Collection of interval (daily, hourly, 15-minute) consumption data and the ability to store the data in order to conduct advanced analyses on the collected data.
- Easy access to meter information throughout the organization so that utility personnel can locate pertinent data in a timely manner.
- Enhanced service to customers with the ability to conduct timely bill complaint investigation and resolution using detailed data collected by the system that can also be shared directly with the customer.

Staff prepared a Request for Information in order to better understand the technologies and techniques being used by various companies in the AMI industry. After reviewing the information submitted by 7 companies, staff prepared a Request for Proposals for an AMI system utilizing the techniques and methods best suited for the City of University Park. We received AMI proposals from 5 vendors. Staff reviewed those proposals and identified 3 vendors with solutions that met the goals and specifications for the project. Those 3 vendors were invited to make a presentation to staff to further explain their proposed solution. A team of 8 City staff members from 3 departments reviewed the RFPs and presentations. The 3 finalists were also required to participate in a 60-day field demonstration. Each vendor installed their equipment on 24 pre-selected water meters at various locations throughout University Park. City staff was then able to observe the performance of each system in our specific environment. Following the demonstration period, the staff committee met to evaluate each of the finalists. Staff

was unanimous in its selection of the best solution, but a few questions and concerns remained. Staff named a lone finalist and continued its review and evaluation of the proposed solution. The finalist came back for another Q&A session with the staff committee. Additionally, 4 members of the committee traveled to Georgia to meet with a similarly sized utility who was using the finalist's system. With all questions and concerns satisfactorily addressed, staff concluded that the solution proposed by Itron, Inc. was best suited for University Park.

The AMI for University Park includes the following components:

- A data collection and transmission device connected to each of the 10,000 water meters in the City.
- Collectors at City Hall and the Northwest Hwy water tower to receive the radio transmissions and send them to the servers/software in the Utility Billing office.
- Repeaters at approximately 6 locations throughout the City to relay the signal from the meters to the collectors.
- Handhelds units to collect manual reads during the installation process and to provide a backup method of collecting reads.
- Servers to store the meter reading data.
- Software to analyze the meter data and send it to the billing system.

Itron will install the collectors and repeaters and assist in the installation/configuration of the servers and software. Itron will also train City staff in the installation of the meter transmitters. Staff will install the units (approximated 10,000) over the next 4 years.

RECOMMENDATION:

Staff recommends approval of a contract with Itron, Inc. for the purchase and installation of an advanced meter infrastructure system in the amount of \$1,196,585.54.