



Legislation Text

File #: 20-1175, Version: 1

CITY COUNCIL AGENDA ITEM

ACTION REQUESTED:

Approve the award of Option Year Three to Contract 16-260, Contract Meter Reading Services for Water, to Alexander's Inc. for an amount not to exceed \$445,000 and for a 12-month term (Item 1 of 2)

DEPARTMENT: Finance Department

SUBMITTED BY: Rachel Mayer, Director

BOARD/COMMISSION REVIEW:

NA

BACKGROUND:

The City has approximately 52,000 meters throughout the Water Utility system with the majority requiring physical reads. The City does not have staff to perform the meter reading services, so the work is outsourced to a contractor. In August 2016, City Council approved the award of Contract 16-260 to Alexander's Inc. for a two-year term from September 1, 2016 through August 30, 2018, with three one-year options to extend.

In August 2018, Council approved the first option year with no increase in the per read costs. The second option year was approved by Council in May 2019 with a \$0.10 rate increase if Alexander's agreed to no future rate increases and the same level of service. The term of the second option year was from September 1, 2019 through August 31, 2020 with one final option renewal remaining.

DISCUSSION:

Alexander's Inc. performed well during the second option year. The vendor stayed on pace with daily reads even during the COVID shelter-in-place. Additionally, Alexander's has been helpful in planning the transition from manually reading the meters to Water AMI. Alexander's Inc. agreed to the final contract extension with no increase to the per read rates. The requested not to exceed amount is based upon unit pricing and the estimated number of reads expected to be performed during the contract term.

FISCAL IMPACT:

CIP: N/A

Meter reading services are expensed to the operational services account listed below. A total of \$275,000 is tentatively budgeted for meter reading services in 2021. The variance between the proposed award and budget projection is due to estimated reads. The City awards the contract assuming no estimates, but typically expenses approximately \$250,000 annually, as estimated reads generate no expense to this agreement.

Account Number	Fund Description	Total Budget Amount
15171500-531308	Water Utilities	\$275,0000