



Legislation Text

File #: 18-1001, Version: 1

CITY COUNCIL AGENDA ITEM

ACTION REQUESTED:

Waive the applicable provisions of the Naperville Procurement Code and award Procurement 18-281, Water Utility Automated Meter Infrastructure Business Case and Preliminary Implementation Plan, to West Monroe Partners, LLC for an amount not to exceed \$125,932

DEPARTMENT: Electric Utility

SUBMITTED BY: Mark Curran, Director

BOARD/COMMISSION REVIEW:

N/A

BACKGROUND:

The Water Utility currently has approximately 45,000 water meters which are primarily read manually by meter readers through a contract with Alexander. The original term of the Alexander contract expired in August 2018 and contained provisions for three option years. In June 2018, Alexander notified the City of their intention to not pursue the option years of the contract. However, the original contract requires Alexander to complete the option years through 2021. Similar to manual meter reading experiences industrywide, this process is plagued by estimated reads, employee turnover, and environmental, as well as, man-made conditions (snow, rain, dogs, locked fences etc.).

In addition to a limited term on the current meter reading contract, the City is implementing a new Utility Billing software system as part of the ERP implementation. This implementation will require integration of water and electric meter data into the financial system. In order to complete this integration on-time, we need to complete the implementation of an automated metering system for all water meters. Completing this integration prior to the automated metering system, would require software customization and an estimated additional \$450,000.

DISCUSSION:

Waiver of Section 1-9B-4 (Methods of Source Selection) of the Naperville Code is required because the recommended process is not one of the enumerated methods under the Code. Staff is recommending that the City contract with West Monroe Partners to complete a Water Automated Metering Infrastructure (AMI) business case and preliminary implementation plan. Potential benefits of an AMI program include:

- *Improved billing accuracy* - AMI would eliminate estimated reads resulting in all monthly bills being based on actual water consumption for the month. This benefit provides improved consistency for our customers and is anticipated to reduce customer calls to the City.
- *Customer leak detection* - Residents today do not know if they have an abnormal increase in

their consumption whether from a leak in their irrigation system or a running toilet, until they receive their bill. AMI systems have the ability to provide a notice to customers when atypical usage is identified, allowing the customer to mitigate the problem before receiving a high bill. This benefits the customer in detecting the leak early, as well as reducing the number of high bill calls to the City.

- *Conservation/greater knowledge about water consumption* - It is anticipated that any Water AMI system will also utilize the Electric Utility customer portal that will be released in 2019. This portal will provide greater information to the customer about their usage, allowing them to better manage it.
- *Overall water system operation* - Increased data about our water system allows the City to manage the system better. The business case will investigate opportunities for the City to better manage water loss across the system.

West Monroe Partners is a national business and technology firm with over 1,000 employees and nine offices nationwide, including Chicago. In addition to being an industry leader, West Monroe has unique knowledge of the City's Electric AMI system, its operations and implementation. West Monroe completed the Business Case and provided consulting services for the RFP development, deployment plan, integration and development of the meter data management system, contract negotiations, and system testing for the Electric AMI project.

Discovery and development of the business case includes data collection on the City's current Water system and identifying technical requirements as well as potential benefits of an AMI system, both societal as well as financial. The business case will also include a review of the current Electric AMI assets and networks, and in-depth research on the Water AMI capabilities of the current Electric Utility AMI vendor. West Monroe will also develop a high-level implementation plan including sequencing, necessary IT improvements, vendor selection, process changes, and options for customers wanting to opt-out. West Monroe will be available to present the business case at both the Public Utility Advisory Board as well as a City Council meeting. West Monroe has also provided pricing for vendor evaluation and selection support that is not included in this award but can be awarded in the future.

FISCAL IMPACT:

CIP #: N/A

Consultant fees for business strategies and planning are expensed to the other professional services account listed below. A total of \$125,000 is tentatively budgeted for consultant fees in CY2019, pending Council approval. The requested award is within budget.

| Account Number | Fund Description | Total Budget Amount |
|-----------------|------------------|---------------------|
| 41101500-531309 | Water Fund | \$125,000 |