



Legislation Text

File #: 20-1218, Version: 1

CITY COUNCIL AGENDA ITEM

ACTION REQUESTED:

Approve the award of Change Order One to Contract 16-260, Meter Reading Services for Water, to Alexander's Inc., expanding the scope of services and extending the contract term by four months to December 2021 (Item 2 of 2)

DEPARTMENT: Finance Department

SUBMITTED BY: Rachel Mayer, Director

BOARD/COMMISSION REVIEW:

N/A

BACKGROUND:

The Finance Department employed a full-time meter reader to perform specialty water meter reads, including AMR reads, re-reads and final reads, and Electric NWMA reads. The employee retired at the end of September 2020. Because the Water Utility is projecting that all meters will be converted to AMI by the end of 2021, the Finance Department contacted the City's current vendor, Alexander's, Inc., and requested a quote to add water meter reads and extend the final option year of the contract by four months (September 2021-December 2021).

DISCUSSION:

Alexander's, Inc. provided a quote and staff determined that accepting the quote would be more cost effective than hiring a new meter reader employee. As such, the Finance Department is recommending the Water AMR, final reads, and re-reads be added to the existing meter reading contract. The Electric NWMA reads will continue to be performed by City staff because outsourcing is not cost effective and security concerns were presented regarding access to the Smart Grid network. Staff also recommends the final option year be extended through December 31, 2021 to better align with projected November 2021 completion of the Water AMI project.

Although the duration of the final option year is longer, and the Finance meter reader reads is being added to the scope of services, staff further recommends an award amount (\$445,000) that is less than the award for the second option year (\$483,600). As the Water AMI contractor converts water meters to the AMI system, the number of reads conducted by Alexander's, Inc. staff will decline. The award amount takes into consideration this decline throughout the course of 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 Budge Amount
15181500-531308	Water Utilities	\$275,000