



Staff Report

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**File #:** 23-0720

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**REQUEST FOR CITY COUNCIL AND  
CORONA UTILITY AUTHORITY ACTION**

**DATE:** 09/20/2023

**TO:** Honorable Mayor and City Council Members  
Honorable President and Board Members

**FROM:** Utilities Department

**SUBJECT:**

THIRD AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT WITH METERSYS TO EXTEND THE TERM OF THE AGREEMENT AND INCREASE THE TOTAL COMPENSATION

**EXECUTIVE SUMMARY:**

This staff report asks the City Council to approve a Third Amendment to the Professional Services Agreement with MeterSYS to provide metering technical support services. MeterSYS was awarded a contract to develop a feasibility and operational assessment of moving towards a fully functional AMI system. The Third Amendment will extend the term of the agreement and increase the total compensation to conclude the procurement process for the Advanced Metering Infrastructure Meter Replacement Project.

**RECOMMENDED ACTION:**

**That the City Council:**

- a. Approve and authorize the City Manager, or his designee, to execute the Third Amendment to the Professional Services Agreement with MeterSYS and increase the total compensation by \$40,970 for a total contract amount of \$125,593 to complete the procurement and installation of Advanced Metering Infrastructure meters.
- b. Authorize the City Manager, or his designee, to issue a Change Order to MeterSYS' Purchase Order in the amount of \$40,970 for a total Purchase Order amount of \$125,593.
- c. Authorize the City Manager, or his designee, to negotiate and execute non-substantive extensions, change orders, and amendments up to \$12,559 or 10% of the total contract cost as authorized by Corona Municipal Code [Section 3.08.070\(I\)](#).

**That the Corona Utility Authority** review, ratify, and to the extent necessary, direct that the City Council take the above actions.

**BACKGROUND & HISTORY:**

On June 16, 2021, the City Council approved the Fiscal Year (FY) 2022 Capital Improvement Plan, which included the Citywide Advanced Metering Infrastructure (AMI) Meter Replacement Project (UT-2022-03). This project will replace and/or retrofit City-wide direct-read water meters with AMI meters. By completing the project, the Utilities Department (UD) will obtain real-time remote meter reads throughout the day and provide customers the ability to monitor their usage and detect leaks in real-time, which will be crucial in achieving the regulatory water savings requirements from the State in the upcoming years. Approximately 46,500 meters will need to be upgraded or replaced with the AMI Meter Replacement Project.

On November 3, 2021, City Council approved a Professional Services Agreement (PSA) with MeterSYS to conduct a feasibility study and operational assessment for a Citywide AMI system conversion and provide technical procurement services to select the most appropriate AMI technology. The Purchase Order for MeterSYS was issued on December 15, 2021, and the project kick-off meeting took place on February 2, 2022. MeterSYS completed their feasibility assessment in May 2022. The term of the PSA was through June 30, 2022, and a First Amendment was issued to extend the contract through June 30, 2023, to begin procurement of the AMI meters. During this time, the UD applied for and was awarded a WaterSMART grant from the Bureau of Reclamation (BOR) and worked with MeterSYS to ensure the federal procurement requirements were followed. The BOR issued an executed funding agreement and notice to proceed on September 8, 2022. To follow the federal grant procurement requirements, the bid for AMI Meter Replacement Project had to be separated and two bid packages needed to be issued. MeterSYS prepared the Request for Proposal (RFP) for the AMI meters, Network, and Meter Data Management System to ensure that Corona selects the best metering solution to meet the needs of the City and that is not based solely on price. The installation portion is required to be a competitive bid, and MeterSYS is preparing a Notice Inviting Bids (NIB) to ensure Corona awards the installation to the lowest responsive responsible bidder per federal and City procurement guidelines. This effort added time and work efforts by MeterSYS who did not anticipate preparing separate bid documents for this project.

In December 2022, the UD applied for the 2022 Urban Community Drought Relief Grant Program with the Department of Water Resources (DWR) for an amount of \$5,000,000. This delayed finalizing and issuing the RFP to ensure any State requirements were also addressed in the bid documents. Unfortunately, the City was not awarded funding for this competitive solicitation due to the large number of applications received by DWR and the amount of funding available. MeterSYS' agreement was amended for a second time to extend the term through September 30, 2023, and increase their total compensation by the 10% or \$7,693 allowed by the Corona Municipal Code [Section 3.08.070 \(I\)](#) to complete the RFP evaluation and selection process.

**ANALYSIS:**

MeterSYS' original proposal accounted for the preparation of a combined RFP for the purchase and installation of the AMI meters. Due to the complexity of our procurement process and the federal

procurement requirements of the awarded grant, MeterSYS had to develop two separate bidding packages. The RFP for the AMI metering technology, network, and metering data management system was issued on May 4, 2023. Proposals for this RFP were due on June 29, 2023. Five proposals were received and provided to MeterSYS for evaluation. MeterSYS' evaluation and recommendations were presented to the UD in August 2023 and will assist with negotiations and the bidder selection process. The proposal selection for this RFP will be presented to City Council for approval once negotiations with the selected vendor conclude. Once the meter selection has been made, MeterSYS will prepare the NIB documents for the installation. Once both agreements are awarded and a Notice to Proceed has been issued, this portion of MeterSYS engagement will be completed. Staff estimates that this process can be completed by January 2024 but would like to extend MeterSYS' agreement through June 30, 2024, in case there are any unforeseen delays in the procurement process and negotiating with the selected vendors.

The Department recommends approval of the recommended action based on the qualifications that MeterSYS possesses to ensure we complete the procurement process and successfully move to the implementation process of this important project for the Utilities Department.

**FINANCIAL IMPACT:**

Funding for the recommended action is available in the Citywide AMI Meter Replacement Capital Improvement Project (UT-2022-03) in the Water Utility Fund 570.

**ENVIRONMENTAL ANALYSIS:**

This action is exempt pursuant to Section 15061(b)(3) of the Guidelines for the California Environmental Quality Act (CEQA), which states that a project is exempt from CEQA if the activity is covered by the commonsense exemption that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. This action is to approve for MeterSYS to provide analysis, planning, and full procurement support for the AMI Meter Replacement Project and there is no possibility that approving this exception to bid will have a significant effect on the environment. Therefore, no environmental analysis is required.

**PREPARED BY:** JACQUELINE ZUKERAN, UTILITY BILLING AND ADMINISTRATION MANAGER

**REVIEWED BY:** TOM MOODY, DIRECTOR OF UTILITIES

**Attachment:**

1. Exhibit 1 - Third Amendment to Professional Services Agreement