



Staff Report

File #: 23-0256

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

DATE: 04/05/2023

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

FROM: Utilities Department

SUBJECT:

PROFESSIONAL SERVICES AGREEMENT WITH METERSYS, LLC, IN THE AMOUNT OF \$851,120 THROUGH FISCAL YEAR 2026 FOR PROGRAM MANAGEMENT SERVICES FOR THE ADVANCED METERING INFRASTRUCTURE METER REPLACEMENT PROJECT (76340)

EXECUTIVE SUMMARY:

This staff report asks the City Council to approve a Professional Services Agreement with MeterSYS, LLC, in the amount of \$851,120 for program management of the Advanced Metering Infrastructure Meter Replacement Project (76340) through completion in Fiscal Year 2026. MeterSYS was previously issued a Professional Services Agreement in Fiscal Year 2022 to complete a feasibility study to assess the existing metering infrastructure and the financial requirement to convert all City meters to Advanced Metering Infrastructure meters. With the information collected, MeterSYS developed the bid specifications to solicit proposals for the appropriate metering technology and installation. Upon selection and award of the metering technology and contractor for installation, the Utilities Department will need program management support for the implementation of this important project.

RECOMMENDED ACTION:

That the City Council:

- a. Approve the Professional Services Agreement with MeterSYS, LLC for the Advanced Metering Infrastructure Meter Replacement Project (76340) through June 30, 2026 in the amount of \$851,120.
- b. Authorize the City Manager, or his designee, to execute the Professional Services Agreement with MeterSYS, LLC, in the amount of \$851,120, including any non-substantive extensions,

change orders, purchase orders, and amendments up to the amount authorized by Corona Municipal Code [Section 3.08.070 \(I\)](#), which is equivalent to 10% or \$85,112.

- c. Make a determination under Corona Municipal Code [Section 3.08.140 \(E\)](#) that competitive bidding has been satisfied for the reasons provided in the "Basis of Determination that Purpose of Bidding is Otherwise Accomplished" section of this report.

That the Corona Utility Authority review, ratify, and to the extent necessary, direct the City Council to 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 Advanced Metering Infrastructure (AMI) Meter Replacement Project (76340). This project will replace and/or retrofit approximately 40,000 City-wide direct read water meters and 4,405 existing AMI meters installed in single-family development projects or individually metered high-density residential projects with AMI meters at a total estimated cost of \$18 million.

Once a robust software system is in place, the AMI meters will help the Utilities Department (UD) mitigate undetected leaks and unaccounted water usage and loss in a timely and efficient manner. The UD will obtain real-time remote meter reads throughout the day eliminating the need to physically read meters once a month for billing purposes. Currently, the UD is in the process of procuring a new customer portal that provides customers the ability to monitor their usage and detect leaks in real-time with automated 24/7 monitoring and alert capabilities, which could result in water savings.

On November 3, 2021, the City Council approved a Professional Services Agreement with Metersys, LLC (MeterSYS), to prepare a feasibility study and procurement of the most adequate metering technology, network, software, and installation. Their analysis included a high-level operation discovery for metering and billing, an organizational readiness assessment, a network propagation study, financial estimates for capital and operating expenditures, and gathering requirements to develop the scopes of work to procure the AMI software, metering technology, and meter installation services. The scope of their current contract also includes assistance with vendor due diligence, grading, ranking, contract negotiations including service level agreement and pricing finalization.

In May 2022, the City of Corona was awarded \$2,000,000 from the Bureau of Reclamation, WaterSMART Water and Energy Efficiency Grant Program for the AMI project. In December 2022, the City submitted an application to the Department of Water Resources for the Urban Community Drought Relief Grant Program for a request of \$5,000,000 for this project. Announcements for award of this funding is expected to occur in the Spring of 2023.

ANALYSIS:

The Purchasing Division is working to issue the bid documents for the purchase of the AMI software and meters as well as the meter installation services. Once these bids are issued, the bids and proposals will be evaluated and the results will be presented to the City Council for consideration.

In conjunction with the AMI project, the UD will be deploying two additional projects that are required to fully utilize the capabilities of the AMI meter data by the UD and Corona customers: replacement of the Utility Customer Portal and upgrade of its outdated Customer Billing System. These projects are fully managed by staff and will be presented to City Council for the appropriate Council actions in the upcoming months.

Due to the large scale and dynamic nature of the AMI project, the UD needs additional resources and requires assistance from an experienced professional firm with AMI technical expertise to manage the implementation of the AMI meter replacement project. Having an experienced firm with AMI technology expertise manage this program will provide the oversight resources needed to ensure the project is completed successfully, within budget, and on schedule.

Scope of Work

For this engagement, MeterSYS will serve as the Program Manager for all facets of the AMI meter replacement project through project completion. MeterSYS will manage the implementation, including financial oversight, project progression management, network installation and performance, multi-systems interfacing, field installation and data management, internal/external communications, and organizational change management.

For a successful project implementation, MeterSYS has organized and structured the project into five (5) phases summarized below:

1. **Project Setup and Kickoff** - Planning phase and workplan development. MeterSYS will draft the project charter and program management workbook (project schedule, project financials tracking/pay application, team contacts). During this phase, MeterSYS will set up a system for tracking and managing all facets of the project which includes a quality control plan, program finance management plan, communications plan, develop an inventory control plan with City staff and vendors, assessment and workplan for network infrastructure and configuration.
2. **Alpha Testing Phase** - This step engages the responsibilities and the roles of each team member, creates the foundation for compliance with project contract service levels through field operations, establishes effective integrations, and demands proper equipment lead time management. In addition to systems integrations, construction of the network will be coordinated with the prime contractor, the UD, and third-party site managers for the assessment and build-out of collector infrastructure and associated power and data access. Testing of Radio Frequency signal strength and review of network data is conducted. Validate data collection, transmission, and processing for both the register/transmitter and field installation.
3. **Beta Testing Phase** - Once the systems integrations, field installation tool configurations, and network construction are completed, MeterSYS' team will conduct a limited testing period to validate that all contributing components of the AMI system are fully operational. This period of limited installation production is a final validation prior to initiating the full-scale installation work. MeterSYS will review and update the workplan, including risk mitigation plan, work with City staff to validate data in billing system and other testing as necessary for

full functionality.

4. **Full Deployment** - System functionality and new business processes are tested, verified, and accepted. In this phase deployment of meters and meter interface units will begin on a large scale. Full system functionality will be available to the City for reading and billing purposes based on a route by route installation process. MeterSYS will coordinate and have oversight on project communications, production, financial tracking, Quality Assurance/Quality Control, inventory, installation, and training. MeterSYS will have direct daily interactions with Prime Vendor and installation team to minimize interruption to daily operations.
5. **Project Substantial Completion and Closeout** - MeterSYS has a project closeout program that summarizes all the important information on the project to the UD which will include all the benefits realized from the AMI system, project financials, and deliverables against the vendor agreements. During this closeout phase, MeterSYS will conduct field and back-office verifications and complete an analysis of policies and ordinances based on new business processes from read automation. The report will include performance on the organization and the system, identify strengths and areas of improvement which can assist the UD to make operational adjustments to ensure performance. The report will also include an analysis of:
 - a. Overall UD goals and objectives achievement
 - b. Network Performance and management requirements
 - c. Proficiencies assessment resulting from training and AMI system utilization
 - d. Return on investment analysis and results

Basis for Determination of Competitive Bidding

Staff believes that the purpose of bidding is otherwise accomplished for this service pursuant to CMC [Section 3.08.140\(E\)](#), which states as follows:

“Purpose of bidding is otherwise accomplished. When the purchasing agent and the authorized contracting party, with the approval of the City Manager, determine that it is in the best interest of the city and its administrative operations to dispense with public bidding for non-public projects under this chapter.”

On June 29, 2022, the City of Pico Rivera issued a Request for Proposals (RFP) for “Advance Meter Infrastructure Implementation Services, CIP No. 50072”. Pico Rivera received four (4) proposals from their RFP. Their review panel consisted of Public Works staff and used a qualifications-based selection criteria to rank the consultants. Their selection criteria weighed several factors such as project manager and team qualification, experience on similar projects, and understanding of technical issues specific to AMI technology. Pico Rivera ranked the proposals as follows:

No.	Company Name
1	MeterSYS
2	GHD
3	E-Source Companies, LLC
4	SL-Serco

On December 13, 2022, the City of Pico Rivera awarded a Professional Services Agreement to

MeterSYS in the amount of \$208,150 for project management and oversight of their AMI technology implementation. Per Pico Rivera’s report, MeterSYS was the highest ranked consultant due to their qualifications, experience and availability of personnel for their project. Based on the hourly rates MeterSYS provided Pico Rivera, staff believes that the rates in the proposal presented to Corona are fair and reasonable based on the scope of work and complexity of the project. The rates for the personnel are reflected in the tables below:

City of Pico Rivera		
Project Team Member and Hourly Estimated Breakdown by Key Milestones	Consultant Name	Hourly Rate Calculated
Program Manager	Andy Honeycutt	\$ 210.00
Project Manager	Kahne Kraft	\$ 190.00
Systems Lead/Assistant PM	Lauren Brown	\$ 150.00
Network Specialist	Cassius Williams	\$ 170.00
AMI Data QC Analyst	Carol Mikovich	\$ 145.00
Program Consultant/Finance Analyst	Kristi Schmitt	\$ 150.00
Field Technician	Derek Hines	\$ 110.00
Communications Lead	Rodger Sauls	\$ 150.00
IoT Smart City Lead Consultant	Roger Brook	\$ 150.00

The City of Pico Rivera has approximately 9,500 service connections and primarily uses Neptune AMI meters. Installation of the Pico Rivera meters will be handled by City of Pico Rivera staff, and the systems interface has already been completed thereby reducing the scope of work requirements for project management at Pico Rivera.

City of Corona		
Project Team Member Hourly Rate Summary General Rate Schedule	Consultant Name	Hourly Rate
Program Administrator	Andy Honeycutt	\$ 210.00
Program Manager	Lauren Brown	\$ 190.00
Network Manager/QAQC	Cassium Williams	\$ 160.00
Lead Data Analyst	Carol Mikovich	\$ 130.00
Senior Program Consultant/Financial Analyst	Kahne Kraft	\$ 130.00
Field Technician/Inspector	Derek Hines	\$ 90.00
Program Consultant/Metering & Billing SME	Gary Sanders	\$ 185.00
Junior Program Consultant/Communications Lead	Max Kuhlenkamp	\$ 80.00
Systems Lead	Stan Harris	\$ 170.00

The UD and Purchasing staff assessed MeterSYS’ proposal and determined that the consultant is able to successfully deliver the level of services required for this project and that the price for the proposed services is fair and reasonable. During the prior engagement with the City to conduct a feasibility study and develop the requirements for the RFP for the AMI technology and installation,

staff was very satisfied with the caliber of work and professionalism provided by MeterSYS. MeterSYS was very efficient in completing their work on time and within budget. They provided a detailed level of communication throughout the process. MeterSYS has been accommodating and provided an extension to complete the RFP document at no cost to incorporate all the requirements of the grant awarded to this project. Additionally, MeterSYS has identified and helped fix some issues with the existing AMI meters which saved the UD time and funds. MeterSYS also provided technical information and assistance for the two grant applications submitted for this project and during the Utility Customer Portal RFP process which were very important for the UD.

Considering the project for the City of Corona is not expected to be implemented until early FY 2024, the rates reflected in the proposed scope of work presents a comparable or better value to the City when considering other projects of similar scope. Additionally, these rates will maintain stability over the 26-month schedule despite probable changes in the Consumer Price Index .

MeterSYS has previously assisted over 30 different nationwide clients with AMI implementation. In California, MeterSYS has worked with Las Virgenes Municipal Water District, Manhattan Beach, and Burbank for their implementation projects. MeterSYS' specialized experience in AMI projects and as an active owner and operator of multiple AMI systems for water utilities gives them a unique understanding of the available products, and how those products best integrate with the UD's systems and operation. MeterSYS' core services are solely dedicated to AMI selection, installation, and performance for water utilities independent of all metering manufacturers and distributors.

MeterSYS provides a comprehensive solution for AMI implementation projects that encompasses the project from beginning to end to ensure success and timely implementation. The UD believes that it is in the best interest of the City to proceed with the recommended actions based on the qualifications that MeterSYS possesses; therefore, staff is requesting City Council consideration on approving the Professional Services Agreement with MeterSYS to provide Program Management Services for the Advanced Metering Infrastructure Meter Replacement Project.

FINANCIAL IMPACT:

Funding for the recommended action is available in the FY 2023 AMI Meter Replacement Capital Improvement Project (76340) 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 common sense 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 involves a professional services agreement, and there is no possibility that approving this professional services agreement will have a significant effect on the environment. Therefore, no environmental analysis is required.

PREPARED BY: JACQUELINE ZUKERAN, UTILITY BILLING AND ADMINISTRATION MANAGER

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REVIEWED BY: TOM MOODY, DIRECTOR OF UTILITIES

Attachments:

1. Exhibit 1 - MeterSYS Proposal
2. Exhibit 2 - MeterSYS PSA