



Staff Report

File #: 21-1001

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

DATE: 11/03/2021

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

FROM: Utilities Department

SUBJECT:

Professional Services Agreement with MeterSYS for analysis, planning, and full procurement support for the Advanced Metering Infrastructure Meter Replacement Project.

EXECUTIVE SUMMARY:

Under the City's Capital Improvement Program, the Utilities Department created the Advanced Metering Infrastructure Meter Replacement Project to replace and/or retrofit direct read water meters with Advanced Metering Infrastructure meters City-wide to obtain real-time remote meter reads and provide customers the ability to monitor their usage and detect leaks in real-time. MeterSYS provides metering technology support services which will be utilized to develop a Metering Technology Master Plan. The Utilities Department will apply for a WaterSMART grant with the Bureau of Reclamation to fund the procurement and installation of the Advanced Metering Infrastructure meters. The Plan will be completed prior to the grant award to assist the Utilities Department to select the most appropriate metering technology for the system.

RECOMMENDED ACTION:

That the:

- a. City Council approve and authorize the City Manager, or his designee, to execute the Professional Services Agreement with MeterSYS for \$76,930.
- b. City Council authorize the General Manager and City Attorney, or their designees, to negotiate and execute non-substantive extensions, change orders, and amendments up to \$7,693 or 10% of the total contract cost as authorized by Corona Municipal [Code Section 3.08.070\(I\)](#).
- c. City Council authorize the Purchasing Manager to issue a purchase order to MeterSYS for

\$76,930 for Fiscal Year 2022.

- d. City Council make a determination under Corona Municipal Code [Section 3.08.140\(E\)](#) that competitive bidding is not required for the award of an agreement to MeterSYS based upon the reasons provided in the "Basis for Exception to Competitive Bidding" section of this report.
- e. Corona Utility Authority review, ratify, and to the extent necessary, direct 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 Advanced Metering Infrastructure (AMI) Meter Replacement Project (76340). 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 could result in water savings.

In 2012, the Department replaced and/or retrofitted 1,311 outdated meters with "smart" meters with advanced metering technology capabilities. The Department has continued to install the AMI meters through new development and currently has 4,405 AMI meters in the system. Once a robust software system is in place, these meters will help the Department mitigate undetected leaks and unaccounted water usage and loss in a timely and efficient manner, with automated 24/7 monitoring and alert capabilities. Approximately 40,000 meters still need to be upgraded to the advanced metering technology through the AMI Meter Replacement project at a total estimated cost of \$18 million.

ANALYSIS:

Because the AMI Meter Replacement Project will replace the majority of the Department's water meters, all AMI metering options must be carefully evaluated to make the best long-term decision for the UD. Using an independent consultant to evaluate the project and recommend the type of AMI metering infrastructure most appropriate for the system will ensure that the UD has the information necessary to make a sound decision.

Scope of Work

The consultant will be analyzing the UD's existing water utility metering and billing operations to determine existing asset capabilities for retrofitting, AMI network design options, operational process analysis, and organizational readiness. It also includes a financial analysis to estimate the capital project expenditures and operating costs and complete a return on investment (ROI) calculation for determining infrastructure investment values.

Based on the assessment and information collected, the consultant will develop the requirements and bid specifications to solicit proposals for the metering technology and implementation. The consultant will provide full support through the procurement process serving as the technical advisor in selecting the metering technology and negotiation and development of final contract documents.

Before the AMI implementation phase, the UD will conduct a request for proposals (RFP) to select a consultant to provide project management support for meter installation, endpoints, and a city-wide AMI network, the interface of the Meter Data Management System (MDMS) with the City's Utility Billing software and all system testing.

Basis for Exception to Competitive Bidding

The Department requests an exception to bidding for these services pursuant to Corona Municipal Code (CMC) [Section 3.08.140\(E\)](#): "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."

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 Pico Rivera for their implementation projects. MeterSYS is not the only services firm that works with Advanced Metering Technology but what makes them unique is that MeterSYS specializes in AMI projects and are an active owner and operator of multiple AMI systems for three small public water utilities which gives them a unique understanding of the available products and how they best integrate with the Department's systems and how they perform. Additionally, other firms may work on other types of projects and although they may have experience working on AMI projects, they may not possess the same first-hand experience of operating and maintaining an AMI system after implementation is completed. This gives MeterSYS a holistic expertise to recommend the right technology and implementation strategy.

MeterSYS' core services are solely dedicated to AMI selection, installation, and performance for water utilities independent of all metering manufacturers and distributors, which not only provides the expertise necessary to make recommendations for the Department but also neutrality that the Department would not have when working directly with meter vendors. MeterSYS will provide an independent recommendation that is truly based upon the needs and objectives of the City. MeterSYS also owns and operates an AMI and Internet of Things (IoT) sensor testing center which is helpful to confirm the reliability and accuracy of meters and sensors prior to installation and implementation and not just relying on the manufacturers' performance warranty.

MeterSYS provides a comprehensive solution for AMI implementation projects that encompasses the project from beginning to end to ensure success and timely implementation. The Department recommends approval of the recommended action based on the qualifications that MeterSYS possesses.

FINANCIAL IMPACT:

Funding for the recommended action is available in the FY 2022 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 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, BUSINESS MANAGER

REVIEWED BY: TOM MOODY, GENERAL MANAGER

Attachments:

1. Exhibit 1 - MeterSYS Technology Support Services Proposal
2. Exhibit 2 - Professional Service Agreement with MeterSYS