



City of Richmond

Report to Committee

To: General Purposes Committee

Date: December 10, 2009

From: John Irving, P.Eng. MPA
Director, Engineering

File: 10-6060-02-01/2009-
Vol 01

Re: Single Family and Duplex Water Meter Program

Staff Recommendation

That the existing contract with Neptune Technology Group be extended for four months ending on April 30, 2010 using the 2003 unit rates.

John Irving, P.Eng. MPA
Director, Engineering
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CONCURRENCE OF GENERAL MANAGER 		
REVIEWED BY TAG	YES <i>mz</i> <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
REVIEWED BY CAO (Deputy) <i>Mike Lin</i>	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>

Staff Report

Origin

At the October 26, 2009 Regular Council Meeting, Council adopted the following motion:

“That:

(2) the existing voluntary metering program be continued for single-family homes and that the funding available to multi-family properties for voluntary metering be formally increased in the Waterworks and Water Rates Bylaw to the greater of \$60,000 per strata or \$500 per unit, and that \$2 million funding is made available for multi-family metering annually;”

In preparation for the release of the request for proposal (RFP), staff met with the two primary supplier/contractors that does this work to advise them of the upcoming RFP as well to inform them of the project start date (January 1, 2010).

The proponents provided new product information that could represent savings to the City if an extended proposal process is implemented.

Analysis

Neptune Technology Group is our current supplier/contractor for the Single Family and Duplex Voluntary Water Meter Program. Their contract ends on December 31, 2009.

There are three options:

1. Release the RFP with a short bid period and start the contract on January 1, 2010. Staff believe that this option may yield high prices as the supplier and contractors would want the City to take on most of the risk as they would not be able to obtain accurate prices for each of the components of the RFP.
2. Release the RFP with a project award date in March 2010 and most likely a project start date of April 2010. Neptune's contract with the City ends on December 31, 2009, so the City would not be able to add new volunteers to the Single Family and Duplex Voluntary Water Meter Program between January 1, 2010 and the project start date in April 2010.
3. Negotiate a contract extension for four months with Neptune and release the RFP now with a project award date in March 2010. Neptune has agreed to hold the 2003 price list with which we are currently using. Since 2003, there have been significant price increases in the cost of labour as well as for materials; hence, these prices represent good value for the City. In addition, the longer time frame will allow all the proponents to prepare improved prices for all of the components of the RFP.

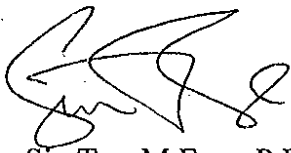
Staff recommends Option 3 as this represents the best value for the City.

Financial Impact

Since Neptune will continue to charge the 2003 prices for the next four months, there will be no financial impact.

Conclusion

In order to obtain the best pricing for the Single Family and Duplex Volunteer Water Meter Program, staff recommends that we extend the existing contract with Neptune Technology Group for an additional four months at the 2003 rates to allow all the proponents to prepare more accurate rates for the upcoming RFP that we will release in December 2009 to close in February 2010.



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