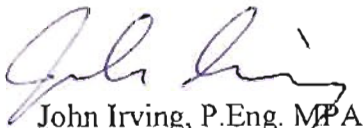


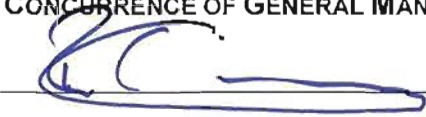
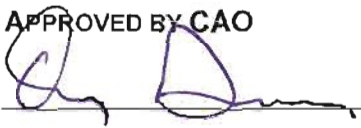


To: Public Works and Transportation Committee **Date:** September 26, 2013
From: John Irving, P.Eng. MPA **File:** 10-6650-02/2013-Vol 01
 Director, Engineering
Re: **Universal Single-Family Water Meter Program – 4966P**

Staff Recommendation

That the Universal Single-Family Water Meter Program be contracted to Neptune Technology Group (Canada) Ltd. for a six-month term with a City option to extend to a three-year term.


 John Irving, P.Eng. MPA
 Director, Engineering
 (604-276-4140)

REPORT CONCURRENCE		
ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER
Finance Division Water Services	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	
REVIEWED BY DIRECTORS	INITIALS: DW	APPROVED BY CAO 

Staff Report

Origin

At the April 22, 2013 Regular Council Meeting, City Council adopted the following motion:

“That a universal water metering program, as outlined in Option 3 in the staff report titled Water Meter Program Update from the Director, Engineering, dated April 5, 2013, be implemented for single-family dwellings, starting in 2014, with a five-year completion target.”

The purpose of this report is to recommend award of Contract 4966P for the Universal Single-Family Water Meter Program.

Analysis

In accordance with Procurement Policy 3104, the City issued Request for Proposal (RFP) 4966P for the Universal Single-Family Water Meter Program, which includes public communication and education of the water meter program and water conservation, as well as supply, installation, and reading of single-family water meters. This contract is for a six-month term with a City option to extend to a three-year term. There is existing water metering funding that will be utilized for the first six-month term allowing initialization of the program before the end of 2013.

Proposals were received from Corix Utilities and Neptune Technology Group (Canada) Ltd. Staff have reviewed and evaluated the proposals from this RFP, and determined the proposal from Neptune to be of greatest value and benefit to the City.

The categories used to evaluate each proposal included experience, methodology, schedule, implementation strategy, and cost. Neptune’s proposal ranked highest in all categories.

Pricing Schedule

The pricing schedule has three main categories: public communication and education, installation of water meter and conservation devices, and meter reading. Table 1 outlines the total annual costs for each proponent, based on expected annual quantities.

Table 1. Pricing Summary (Annual)

	Corix	Neptune
Public Communication and Education	\$54,000	\$135,000
Installation of Water Meters and Conservation Devices	\$1,454,582	\$1,167,049
Meter Reading	\$35,106	\$42,739
Total	\$1,543,688	\$1,344,788

The estimated annual cost of implementing the program with Neptune is 13% lower than with Corix. Neptune's proposal demonstrated a comprehensive understanding of City meter installation and public communication requirements. The single-family volunteer water metering program was successfully implemented with Neptune.


Key business terms are consolidated in Schedule A for reference.

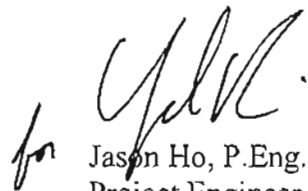
Financial Impact

The estimated cost of Contract 4966P is \$1,350,000 per year, for a maximum three-year period. The first six month term of the contract will be funded from existing water metering accounts allowing the program to begin before the end of 2013. Funding for extension of the contract will be dependent on Council's approval of funding through the annual Capital program. The Contract will include terms that limit the Contract to approved funding. A capital submission for this program, in conjunction with the Volunteer Multi-Family Water Meter Program, will be included as part of the 2014 Capital budget process.

Conclusion

Staff recommend that the Universal Single-Family Water Meter Program be contracted to Neptune Technology Group (Canada) Ltd. for a six-month term with a City option to extend to a three-year term. There is existing water metering funding that will be utilized for the first six-month term allowing initialization of the program before the end of 2013.


Lloyd Bie, P.Eng.
Manager, Engineering Planning
(4075)


for Jason Ho, P.Eng.
Project Engineer
(1281)

LB:jh

Schedule A

Key Business Terms

- Term: Six months extendable to three years
- Cost: Approximately \$0.6 M in the first six month term, approximately \$1.35 M / year for three years if the contract is extended.
- Funding: Funding for the first six month term is available in existing water metering accounts. Funding for subsequent terms will be dependent on Council's approval through the annual Capital program. Contract will be contingent on Council approval of future Capital programs.
- Scope: Public communication and education program to introduce universal water metering to unmetered customers and educate all water users on water use in their homes. Installation of water meters at a rate that will achieve the City's goal of universal single-family water metering in five years.