

EWEB Board Consent Calendar Request

For Contract Increases

The Board is being asked to approve additional funds for meter installation services with **Sensus USA Inc.** as part of our Advanced Metering Infrastructure (AMI) Implementation project.

Board Meeting Date: 11/2/2020

Project Name/Contract #: Advanced Metering Infrastructure Implementation/ 013-2011

Primary Contact: Rod Price Ext. 7122

Contract Amount:

Original Contract Amount: \$20.5 million

Term of Agreement: **8 years**

Additional \$ Previously Approved: \$ 0

Invoices over last approval: \$0

Percentage over last approval: 0%

Amount this Request: \$2.6 million

Resulting Cumulative Total: \$23.1 million

Contracting Method:

Method of Solicitation: Formal RFP

If applicable, basis for exemption: n/a

Option to Renew? yes

Approval for purchases "*as needed*" for the life of the Contract Yes No

Selection Basis: Highest ranked proposer

Narrative:

Operational Requirement and Alignment with Strategic Plan

The Board is being asked to approve an increase to the AMI Implementation contract for services to support the Electric Meter Deployment Project. At the October Board meeting, Staff provided an informational memo to provide an update and status of the overall AMI Program. The memo included scope and status of the remaining water and electric meter installation. As discussed, EWEB's internal labor resources are not adequate to install electric meters by the target completion date of end of Q1 2022. Furthermore, the current methods and systems used to plan, install and integrate new meters would not be able to efficiently support an installation rate needed to meet that target date (approximately 1,000 per week).

Staff have negotiated a contract with Sensus to provide installation services through their Subcontractor Utility Partners of America (UPA). The project will include the installation of the remaining 55,000 single-phase electric meters. EWEB internal labor will continue to install three-phase meters and other meters that have special conditions. This contract will support EWEB's strategic efforts to meet the target date of Q1 2022 to complete electric meter installations.

Contracted Goods or Services

Services include: installation services, contract management, field-project management, inventory management, data management, and a quality assurance program.

Purchasing Process

EWEB completed an RFP process for selecting a contractor to provide Advanced Metering Infrastructure (AMI) Technical and Cost Proposals in 2011. The original solicitation included installation services and Sensus' proposal offered installation services. EWEB determine it would self-perform that work initially, however as the implementation process changed, staff reengaged with Sensus to determine if they could meet our needs in providing these services. The additional work will be an increase to the AMI contract and was directly negotiated with Sensus and their installation subcontractor UPA.

UPA has vast experience working with Sensus on mass deployment projects and EWEB staff have conducted and received several positive industry references. The negotiated fee for this work is \$2.6 million, which averages a cost of \$47/meter installation, an amount that is within 10% of EWEB's historical per-meter cost of \$43 (including 28% overhead and internal process support labor).

Prior Contract Activities

EWEB contracted with Sensus USA Inc in 2015 for the AMI Implementation contract. Staff has been pleased with Sensus' work and consulting during the implementation of the original project, and the transition to the opt-out approach. They have significant knowledge of EWEB's processes and vast experience with installation services through their subcontractor UPA. Staff believe it's in the best interest of EWEB and our customer-owners to contract with Sensus for the meter deployment project.

ACTION REQUESTED:

Management requests the Board approve an increase to the contract for services to support the meter deployment project.