CITY OF NORMAN, OK

STAFF REPORT

MEETING DATE: 12/13/2021

REQUESTER: Nathan Madenwald, P.E., Utilities Engineer

PRESENTER: Nathan Madenwald, P.E., Utilities Engineer

ITEM TITLE: CONSIDERATION OF APPROVAL, ACCEPTANCE, REJECTION, AMENDMENT, AND/OR POSTPONEMENT OF AMENDMENT NO. TWO TO CONTRACT K-2021-75: BY AND BETWEEN THE NORMAN UTILITIES AUTHORITY AND E SOURCE COMPANIES, L.L.C., INCREASING THE CONTRACT AMOUNT BY $1,372,980 FOR A REVISED CONTRACT AMOUNT OF $1,601,640 FOR ADVANCED WATER METER INFRASTRUCTURE PROJECT AND BUDGET APPROPRIATION AS OUTLINED IN THE STAFF REPORT.

BACKGROUND:

The City of Norman water system includes approximately 41,000 water meters that measure water usage for water and sewer billing purposes. The majority of the meters (approximately 39,000) are manually read by meter readers (physically remove the meter lid and read the current usage on the register) and 2,000 meters are read using automated meter reading (AMR; remote sensor used to collect data while driving by in a truck). As the number of meters increase, staffing levels would have to proportionally increase to ensure that meters are read timely and accurately. Insufficient staffing levels can result in missed reads or inaccurate reads that impact customer service and billing revenues. Additionally, the majority of the water meters in Norman have aged past their expected useful life and warrant replacement.

The current state of the water industry is such that Advanced Metering Infrastructure (AMI) has become more commonplace and is being implemented by more utilities. With AMI, meters would be read remotely using cellular infrastructure on water towers (or additional towers if necessary) multiple times per day. With this new system, the following benefits will be realized:

1. Meter reads would occur regularly ensuring more accurate billing;
2. Improved customer service since usage data will be more available to the customer and leak or usage alerts could be configured to notify the customer more timely;
3. Aged meters will be replaced with new, more accurate meters; and
4. Staff would no longer be required to read each meter manually and could be used for other work efforts.

On June 8, 2021, the Norman Utilities Authority (NUA) approved Contract K-2021-75. This contract included work to complete the Assessment Phase of the project and confirm that the

NUA had a positive business case to implement Advanced Water Meter Infrastructure. This information was presented to the NUA/City Council on September 28, 2021. Amendment No. 1 to the contract was approved on October 26, 2021, to complete the procurement phase of the project.

Request for Proposal RFP-2223-13 was issued on August 26 and September 1, 2022. Five proposals were received and were reviewed by a City evaluation team. Three proposers were short-listed for the project and were interviewed on November 15-17, 2022. Staff is currently working with E Source to contract with the highest rated vendor.

DISCUSSION:

The proposed Amendment No. 2 will be for the Implementation and Project Closeout Phase of the project. This phase of the project will be for approximately 24 months and will include consulting services for Information Technology-required improvements to integrate the new system with current billing and customer information systems; management and verification of vendor work; change management for City departments; and customer engagement support.

On November 4, 2022, the NUA secured a $15,000,000 Statewide Revolving Fund loan from the Oklahoma Water Resources Board (OWRB) to fund this project. An appropriation of these loan proceeds will be needed to fund Amendment No. 2.

RECOMMENDATION 1:

Staff recommends the NUA approve Amendment No. 2 to Contract K-2021-75 in the amount of $1,372,980 for a revised contract amount of $1,601,640 with E Source Companies, LLC for Consulting Services for the Advanced Water Metering Infrastructure project (Project WA0351).

RECOMMENDATION 2:

Staff recommends that the NUA appropriate $1,372,980 from the 2022 OWRB loan proceeds via Water Fund Balance (account 31-29000) to Advanced Water Metering Infrastructure Project, Construction (Account 31993361-46101; Project WA0351).