



CITY OF HOUSTON - CITY COUNCIL

Meeting Date:

ALL

Item Creation Date:

T29179 - Advanced Metering Infrastructure (AMI) System - ORDINANCE

Agenda Item#:

Background:

Request for Proposals received November 14, 2019 for S17-T29179 - Approve an ordinance authorizing the appropriation of \$17,614,638.99 out of the Water and Sewer System Consolidated Construction Fund (8500) and approve awarding a contract to Sensus USA Inc. for an initial funding amount of \$18,592,348.99 and a maximum contract amount not to exceed \$38,038,976.95 for the installation of an Advanced Metering Infrastructure (AMI) system for Houston Public Works.

Specific Explanation:

The Director of Houston Public Works (HPW) and the Chief Procurement Officer recommend that City Council approve an ordinance authorizing the **appropriation of \$17,614,638.99** out of the Water and Sewer System Consolidated Construction Fund and approve awarding a **ten-year work services contract to Sensus USA Inc. for an initial funding amount of \$18,592,348.99** and a **maximum contract amount not to exceed \$38,038,976.95** for the installation of an Advanced Metering Infrastructure (AMI) system for Houston Public Work. An **additional appropriation of \$19,446,627.96** will be requested at a later date. The Director of HPW may terminate this Agreement at any time by giving 30 (thirty) days written notice to the contractor, with a copy of the notice sent to the Chief Procurement Officer.

The scope of work requires the contractor to provide all labor, materials, equipment, and supervision for the installation of the Sensus AMI System network and Software as a Service (SaaS). Software maintenance and upgrades are covered under the terms of the SaaS service agreement. Installation of the individual meter reading devices/infrastructure will be completed by HPW field personnel and/or contractors.

The Sensus AMI System will facilitate strategic replacement of HPW's 20+ year old end-of-life legacy system. The replacement enables HPW to maintain continuity of the automated meter reading process and the continued timely and accurate billing of customer water and sewer consumption while minimizing incremental increases in operating costs.

Further, replacement of the current automated meter reading system will allow the City to phase out its existing joint use Contract with CenterPoint Energy (CNP); thereby eliminating the need to mount its hardware on CNP poles. Mounting of City assets on CNP poles presents a reliability challenge and increases HPW's operating costs. The cost savings for elimination of the CNP contract will be realized incrementally over the 10-year replacement period; however, will result in an approximate \$173,000.00 annually beginning in FY2028. Project success will be measured through the increased availability of the system resulting in fewer manual and estimated reads.

This project was advertised in accordance with the requirements of the State of Texas bid laws. Twenty (20) prospective proposers downloaded the solicitation document from SPD's e-bidding website, and as result, proposals were received from Aclara Technologies LLC, Badger Meter Inc., Itron, Inc., Sensus Americas, Smart Earth Technologies, LLC, Neptune Technology Group, Inc., Core & Main.

The evaluation committee consisted of members from Houston Public Works, Solid Waste Department and the Houston Airport System. The proposals were evaluated based upon the following criteria:

- Technical Requirements
- Price Proposal/Total Life Cycle Cost
- Project Implementation Plan
- IT Integration
- Internet of Things (IOT)
- Warranties and Support
- Ease of Operation and Maintenance
- Experience of Proposed Staff
- Experience with Proposed System

Sensus USA Inc. received the highest overall score and was deemed to be the best qualified vendor to perform the requirements as outlined in the RFP.

The replacement of the automated meter reading system was presented to the Transportation, Technology & Infrastructure (TTI) Committee on April 2, 2020.

M/WBE Participation:

The request for proposal was issued with a 12% M/WBE participation goal. Sensus USA Inc. submitted a Good Faith Effort to the Office of Business Opportunity and 1.88% MWBE was approved. Therefore, Sensus USA Inc., will not be required to meet the 12% MWBE goal. Sensus USA Inc. has designated the below-named company as its certified MWBE subcontractor.

SUBCONTRACTOR	TYPE OF WORK	%
Crystal Communications	Radio Network Installation	1.88 %

Hire Houston First:

This contract requires compliance with the City's Hire Houston First ordinance which promotes economic opportunity for Houston businesses and supports job creation. In this case, Sensus USA Inc. is not a designated company therefore the HHF preference was not applied to the award of the contract.

Pay or Play:


The proposed contract requires compliance with the City's 'Pay or Play' ordinance regarding health benefits for employees of City contractors. In this case, the contractor provides health benefits to eligible employees in compliance with City policy.


Fiscal Note:

Funding for this item is included in the FY2021 Adopted Budget. Therefore, no Fiscal Note is required as stated in the Financial Policies.

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Jerry Adams, Chief Procurement Officer
Finance/Strategic Procurement Division

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Carol Ellinger Haddock, P.E., Director
Houston Public Works



WBS# S-000956-0010-5

Estimated Spending Authority			
Department	FY21	Out Years	Total
Houston Public Works	\$6,122,748.99	\$31,916,227.96	\$38,038,976.95

Amount of Funding:

\$17,614,638.99 – Water and Sewer System Consolidated Construction Fund (8500)
 \$ 977,710.00 – Water and Sewer System Operating Fund (8300)
\$18,592,348.99 – Total Initial Funding Amount

Contact Information:

Yesenia Chuca, Purchasing Manager FIN/SPD (832)393-8727
 Murdock Smith, Sr. Procurement Specialist FIN//SPD (832)393-8725
 Jedediah Greenfield, Assistant Director HPW (832)395-3754

ATTACHMENTS:

Description	Type
OBO Document M/WBE Good	Backup Material
Houston Ownership Information	Backup Material
Clear Tax Report	Backup Material
Form B	Backup Material
Signatory Letter	Backup Material
POP 2	Backup Material
POP 3	Backup Material
FMBB	Financial Information
MWBE Checklist	Backup Material
Funding Information	Backup Material
RCA Backup	Backup Material
Fund 8500	Financial Information
TTI Agenda	Backup Material