

Division of Water

**Request for Legislation**

**Request for the additional legislative authority required under Ordinance No. 655-16 for the first one-year option to renew a Public Improvement by Requirement Contract with Terrace Construction (PI2018-003) for the installation of AMR and related metering equipment.**

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**Background/Purpose:**

Automatic Meter Reading (AMR) is the remote collection of meter consumption data using modern radio communication technology. The Division of Water's successful implementation of the Itron Automated Meter Reading technology in recent years has resulted in substantial improvements to customer service, reliability, and workforce efficiency. AMR has improved customer service by increasing the accuracy of reads, reducing the number of estimated reads, better diagnosing of questioned bills by utilizing hourly reads, and enabling early leak detection.

AMR also allows for tamper detection, provides additional consumption data for study, and has allowed the Division to convert to a monthly billing cycle, all providing significant benefits to the Division of Water and its customers.

The Division of Water initially entered into a Public Improvement by Requirements Contract with Utilicon Construction, the contract later being assumed by Terrace Construction. The contract was for the purpose of converting Cleveland Heights to the Itron AMR system after taking over the Cleveland Heights water system, as well as to install AMR on all commercial and residential accounts not yet covered by the current system. While approximately 24,000 accounts have been upgraded, approximately 15,000 remain unconverted, primarily in Westlake. Because of the steep learning curve in setting up an AMR program, Cleveland would like to retain Terrace's institutional knowledge should the decision be made to replace the Westlake meters in the next few years. In addition, a number oversized and inaccurate meters have been identified that were not replaced during the initial project or under this contract. CWD wishes to use services from this contract to replace these meters with properly sized new meters that will offer greater accuracy.

**Scope of Work/Commodities/Services:**

The Cleveland Division of Water intends under this legislation to install or replace AMR infrastructure and replace oversized and older inaccurate meters. The vendor will perform the physical replacement of new meters and all AMR components.

**Justification/Urgency:**

The Division of Water has a responsibility to provide equitable service to all of its customers. This program will allow the Division of Water to expand the benefits of this program to customers not yet converted to AMR, and ensure all customers receive bills that accurately reflect their actual consumption. , Additionally, Terrace's (formerly Utilicon's) prices are good ones; the number two bidder's bid price was 52% higher than Terrace's (Utilicon's).

**Anticipated Costs and funding source:**

Authorized funding will be from Fund 52-001 and from the fund or subfunds which are credited the proceeds of the sale of future waterworks revenue bonds issued for this purpose.

**Schedule or Term of Contract:**

Request is for the additional legislative authority to exercise the first one-year option on the current contract.

**Current Contract(s):**

<b>Vendor Company Name</b>	<b>Vendor Address</b>	<b>Services/Work performed</b>	<b>Contract Info</b>
Terrace Construction	3965 Pearl Rd. Cleveland, OH 44109 Jeff Nock	Water Meter Installation	Contract # PI2018-003 Award Amt. \$ 6,489,496.20 Expiration date: 5/4/2019

**CSB Participation on the Current Contracts:**

Vallejo Co. - 30%

**Previous Contracts:**

<b>Vendor Company Name</b>	<b>Vendor Address/Contact</b>	<b>Contract Info</b>	<b>CSB Participation (OEO Actual %'s)</b>
n/a			