



## **Staff Report for Committee of the Whole Meeting**

**Date of Meeting:** December 4, 2019

**Report Number:** SRCFS.19.054

**Department:** Corporate and Financial Services

**Division:** Financial Services

**Subject:** SRCFS.19.054 Non-Competitive Acquisition,  
Water Meter Supply, Installation, Maintenance  
and Reading

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### **Purpose:**

To obtain Council approval, for a non-competitive acquisition greater than \$100,000, in accordance with Procurement By-law No. 113-16.

### **Recommendation(s):**

- a) That a contract for the provision of water meter supply, installation, maintenance and reading be awarded non-competitively to Neptune Technology Group Canada Co. pursuant to Appendix "B" Part I Section (c) of the Procurement By-law No. 113-16;
- b) That the contract award be for an acquisition value not exceeding \$1,287,754.00 exclusive of H.S.T., pursuant to and for a term of one year, commencing January 1, 2020, and ending December 31, 2020;
- c) That the Commissioner of Corporate and Financial Services be authorized to execute any necessary documentation to effect the contract.

### **Contact Person:**

Cedric Stone, Manager, Revenue Services, ext. 3627

### **Report Approval:**

**Submitted by:** Mary-Anne Dempster, Commissioner of Corporate and Financial Services

**Approved by:** Neil Garbe, City Manager

All reports are electronically reviewed and/or approved by the Division Director, Treasurer (as required), City Solicitor (as required), Commissioner and City Manager. Details of the reports approval are attached.

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### Background:

In October 2012, in accordance with RFQ 79-12, Neptune Technology Group Canada Co. (Neptune), was awarded a contract for a technology upgrade of water meters from analog to digital. Digital water meters offer several features not available in an analog water meter. Available functionality includes leak detection warning, three months of consumption data at a fifteen minute interval level of detail, and adaptability to mobile or fixed network data collection. Operating budget benefits include, lower per unit meter reading cost and elimination of costs to replace wiring and an external wall mounted reader.

The replacement schedule began in November 2012 and provided for the completion of approximately 44,000 residential water meter upgrades by December 2019. The upgrade of 44,000 units and an additional installation of 4,500 units from new installations and repairs, provides for automation of meter reading data collection for 96% of City water accounts. Substantial completion of the water meter replacement program, positions Richmond Hill to further explore current and future technology developments for reading and billing water consumption.

The contract award will provide for Neptune to continue to supply metering equipment and services through 2020. Further, the contract provides for a pilot of Neptune Advanced Metering Infrastructure (AMI) functionality. The AMI functionality pilot will provide for installation of five data collectors to read approximately 12,500 water meters, (twenty five percent of installed water meters) on a daily frequency. The accompanying cloud based data management platform, provides for analysis of meter reads, alerts for consumption changes and a dashboard for City staff to monitor usage. The data management platform will interface to our water billing application.

Procurement By-law No. 113-16, Appendix “B” Part I - Sole Source Acquisition clause (c):

- to ensure compatibility with existing products, to recognize exclusive rights such as patent, copyright or license, or to maintain specialized products that must be maintained by the manufacturer or its representative;

The contract is recommended to be awarded as Sole Source Acquisition clause (c), because Neptune’s fixed and mobile network meter reading functionality is proprietary. The contract is awarded as a pilot to assess Neptune fixed network meter reading and data management analytics.

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### **Financial/Staffing/Other Implications:**

The total amount of the proposed one year award is \$1,287,754.00 exclusive of H.S.T. The 2020 draft Capital Budget provides for \$1,176,300. The 2020 draft Water, Wastewater and Stormwater budget request will include the balance.

The Tariff of Fees By-law, will be updated to reflect price changes for installation of water meters for new residential and commercial or industrial properties.

### **Relationship to the Strategic Plan:**

The awarding of a contract for water meter supply, installation, maintenance, reading and an AMI pilot, conforms to Goal Four of the Strategic Plan “Wise Management of Resources in Richmond Hill” by promoting efficient water consumption reading, analysis and billing.

### **Conclusion:**

The award of a one year contract to Neptune will allow for continuation of water meter supply, installation, reading and maintenance. Further, the award will allow for building on the investment in digital water meters during 2012-2019, by increasing read frequency and analysis.

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### Report Approval Details

Document Title:	SRCFS.19.054 Non-Competitive Acquisition Neptune Technology Group.docx
Attachments:	
Final Approval Date:	Nov 26, 2019

This report and all of its attachments were approved and signed as outlined below:

**David Dexter - Nov 26, 2019 - 7:46 AM**

**MaryAnne Dempster - Nov 26, 2019 - 8:43 AM**

**Neil Garbe - Nov 26, 2019 - 9:31 AM**