



## **Staff Report for Council Meeting**

**Date of Meeting:** December 9, 2020

**Report Number:** SRCFS.20.036

**Department:** Corporate and Financial Services

**Division:** Financial Services

**Subject:** SRCFS.20.036 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 \$2,286,372.00 exclusive of H.S.T., pursuant to and for a term of one year, commencing January 1, 2021, and ending December 31, 2021; and
- 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:** Sherry Adams, Commissioner of Corporate and Financial Services

**Approved by:** Mary-Anne Dempster, 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, and adaptability to mobile or fixed network data collection.

The upgrade of water meters, which began in November 2012, is complete for 97% of residential installations. 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, including automation of meter reading data collection.

The contract award will provide for Neptune to continue to supply metering equipment and services through 2021. Further, the contract provides for a pilot of Neptune Advanced Metering Infrastructure (AMI) functionality. The AMI functionality pilot will provide for initial installation of five data collectors to read approximately 12,500 water meters, on an hourly frequency. In addition, the contract award provides for an expansion of the pilot, by adding additional data collectors to automatically read a significant portion of our water meters, by December 2021.

The upgrade of existing meter reading software to accompanying Neptune 360 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 the City water billing application and can be source data for reporting to a client portal.

The implementation of Neptune 360 and advanced metering data collectors provides the opportunity to maximize the potential of the digital meters installed by the City from 2012. The data collectors will accept a signal from our meters hourly. Neptune 360 will accept, analyze and store reads for billing. The analysis will include identification of anomalies such as a significant change in hourly consumption. Staff can contact the consumer to communicate consumption concerns. Consumption warnings may also be communicated from the billing application, to a future client portal.

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.

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The contract is awarded to assess Neptune fixed network meter reading and data management analytics.

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

The total amount of the proposed one-year award is \$2,286,372.00 exclusive of H.S.T. The 2021 Capital Budget provides for \$2,041,700. The 2021 draft Water, Wastewater and Stormwater budget request will include the balance.

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

The awarding of a contract for water meter supply, installation, maintenance, fixed network meter reading, and Neptune 360, conforms to the Strategic Plan goal of Fiscal Responsibility, by further automating water consumption reading, analysis and communication.

### **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 2012-2020, by increasing read frequency from months to hours, data analysis of consumption and the foundation for communication of consumption alerts to consumers.

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### Report Approval Details

Document Title:	SRCFS.20.036 - Non Competitive Acquisition -Neptune Technology.docx
Attachments:	
Final Approval Date:	Nov 30, 2020

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

**David Dexter - Nov 27, 2020 - 11:29 AM**

**Sherry Adams - Nov 27, 2020 - 2:34 PM**

**MaryAnne Dempster - Nov 30, 2020 - 12:06 PM**