



## **Staff Report for Council Meeting**

**Date of Meeting:** November 24, 2021

**Report Number:** SRCFS.21.056

**Department:** Corporate and Financial Services

**Division:** Financial Services

**Subject:** **SRCFS.21.056 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 \$2,400,000 exclusive of H.S.T., pursuant to and for a term of two (2) years, commencing January 1, 2022, and ending December 31, 2023; and
- c) That the Commissioner of Corporate and Financial Services be authorized to execute any necessary documentation to effect the contract.

### **Contact Person:**

Alice Liu, Manager, Revenue Services, ext. 5432

### **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 98% of residential installations. Non-residential water meter upgrades will begin in 2022. Substantial completion of the water meter replacement program, allows Richmond Hill to explore and assess 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 2023. It will also allow Neptune to complete the water meter upgrades for both residential and non-residential installations. Further, it allows Richmond Hill to advance and evaluate the performance and benefits for the pilot of Neptune Advanced Metering Infrastructure (AMI) functionality and the five data collectors installed in 2021, and complete the installation of the additional thirty data collectors (capital budget approved in 2021) to automatically read the majority of our water meters, by December 2022. The AMI pilot and the data collector installations were initiated subsequent to one-year contracts awarded to Neptune in 2019 and 2020.

The upgrade of existing meter reading software and installation of the data collectors provides the opportunity to maximize the potential of the digital meters installed since 2012. The data collectors will provide more frequent meter reading and accept a signal from the meters hourly, and pass the data to a Meter Data Management System called Neptune 360. Neptune 360 is a Cloud-Based Data Management platform that supports billing processes, provides a complete view of metering data and analytics and a dashboard for City staff to monitor usage. It will also accept, analyze and store reads for billing and identify anomalies such as a significant change in hourly consumption. Staff can contact the consumer to communicate consumption concerns sooner. Consumption warnings may also be communicated from the billing application, to a future client portal to support a higher level of customer service.

In accordance to 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;

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The contract is recommended to award the contract as Sole Source Acquisition clause (c), because Neptune's fixed and mobile network meter reading functionality is proprietary. 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 two-year award is not to exceed \$2,400,000 exclusive of H.S.T. The 2022 Capital Budget provides for \$1,334,600. The 2022 draft Water, Wastewater and Stormwater budget request reflects these new contracted rates.

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

The awarding of a contract for water meter supply, installation, maintenance, fixed network meter reading, data collectors installation 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 two-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 and the data collectors during 2012-2021, by increasing read frequency from months to hours, data analysis of consumption and the foundation for communication of consumption alerts to further enhance service to residents and businesses in the City.

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### Report Approval Details

Document Title:	SRCFS.21.056 Non-Competitive Acquisition, Water Meter Supply, Installation, Maintenance and Reading.docx
Attachments:	
Final Approval Date:	Nov 11, 2021

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

**David Dexter - Nov 11, 2021 - 11:32 AM**

**Sherry Adams - Nov 11, 2021 - 11:57 AM**

**MaryAnne Dempster - Nov 11, 2021 - 2:31 PM**