



Staff Report for Committee of the Whole Meeting

Date of Meeting: November 15, 2023

Report Number: SRCFS.23.044

Department: Corporate and Financial Services

Division: Financial Services

Subject: **SRCFS.23.044 - Non-Competitive Acquisition, Water Meter Supply, Installation, Maintenance and Reading**

Purpose:

To obtain Council approval, for a non-competitive acquisition greater than \$100,000, in accordance with Procurement By-Law 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 113-16;
- b) That the contract award be for an acquisition value not exceeding \$1,650,000 exclusive of H.S.T., pursuant to and for a term of one year, commencing January 1, 2024, and ending December 31, 2024; and
- c) That the Commissioner of Corporate and Financial Services be authorized to execute any necessary documentation to effect the contract.

Contact Person:

Lawrence Villanueva, Manager Revenue Billing

Report Approval:

Submitted by: Sherry Adams, Commissioner of Corporate and Financial Services

Approved by: Darlene Joslin, 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 and three months of consumption data at a fifteen-minute interval.

The upgrade of water meters, which began in November 2012, is substantially complete with approximately 400 remaining accounts still requiring manual touchpad reading. Substantial completion of the water meter replacement program, has positioned Richmond Hill to improve services by automating of meter reading data collection.

The contract award will provide Neptune to continue to supply metering equipment and services through 2024, including the continued deployment of Automated Metering Infrastructure (AMI). The AMI reading network has been implemented over the last 2 years and has been installed in strategic locations across the City to ensure optimal coverage. The use of AMI will eliminate the need for walking and drive by reading. Currently, 20 AMI collectors have been deployed and is reading approximately 24,000 water meters daily. The contract award continues the expansion of additional collectors to automatically read a significant portion of water meters by end of 2024.

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 be leveraged to support the water client portal.

The implementation of Neptune 360 and advanced metering data collectors provides the opportunity to maximize investments in digital meters installed by the City from 2012 along with long-term data storage for better data analysis and increased billing frequency. The data collectors will accept a signal from our meters hourly. Neptune 360 will accept, analyze and store reads for billing purposes. Data collected through Neptune 360 has been used to identification of anomalies such as a significant change in consumption and alerts are used to contact consumer to communicate consumption concerns. Consumption warnings may also be integrated and communicated via water client portal to implemented early 2024.

Procurement By-law 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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Financial/Staffing/Other Implications:

The total amount of the proposed one-year award of \$1,650,000 exclusive of H.S.T. is fully funded from the combination of funding from the 2024 Draft Capital Budget and 2024 Draft Water, Wastewater and Stormwater Budget as well as prior year approved Capital Budget.

Relationship to Council's Strategic Priorities 2020-2022:

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

Climate Change Considerations:

The use AMI technology for optimizing meter reading routes will contribute to climate change mitigation by minimizing total driving time and distance, which reduces the City's greenhouse gas emissions.

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 2012-2023, by increasing read frequency, data analysis of consumption and the foundation for communication of consumption alerts to consumers.

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Report Approval Details

Document Title:	SRCFS.23.044 - Sole Source Water Metering and Maintenance.docx
Attachments:	
Final Approval Date:	Nov 6, 2023

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

Gigi Li - Nov 6, 2023 - 3:43 PM

Sherry Adams - Nov 6, 2023 - 4:20 PM

Darlene Joslin - Nov 6, 2023 - 5:21 PM