

NO: R067

COUNCIL DATE: April 3, 2017

REGULAR COUNCIL

TO: Mayor & Council **DATE: March 9, 2017**

FROM: Acting General Manager, Finance & Technology **FILE: 5600-80**

SUBJECT: Award of Contract for Water Meter Reading Services

RECOMMENDATION

The Finance and Technology Department recommends that Council:

1. Approve the award of Contract 1220-030-2016-044 to Corix Utilities Inc. (Corix) for the provision of water meter reading services for a two (2) year period, with an anticipated commencement date of May 2017, in the amount of \$938,984.00 including GST;
2. Set the expenditure authorization limit for Contract 122-030-2016-044 in the amount of \$950,000.00 including GST and contingency;
3. Authorize the Acting General Manager of Finance & Technology to execute Contract 1220-030-2016-044 for a two (2) year term; and
4. Authorize the General Manager of Finance & Technology to execute up to three (3) one-year extensions in favour of the City, subject to satisfactory performance and any other related considerations to a maximum of \$479,446.00 including GST per year, plus annual CPI increases and anticipated additional annual meter reading volumes, as applicable.

BACKGROUND

In January 2010 the City adopted a new cyclical meter reading and billing process that divided the City into four geographic areas with each area containing a similar number of metered water utility accounts. The meter reading contractor is required to read each meter in one geographic area every month which results in each meter across the City being read 3 times per year.

The City currently has approximately 64,500 metered water utility customers. It is projected that this number will increase at a rate of approximately 2,000 meters per year as a result of new development and voluntary conversion of existing non-metered residences. In addition to the regular meter reading schedule, the contractor is also required to provide the City with 'Special' or 'Final' readings in cases where a property has been sold or to provide 'Investigative' readings in cases of problematic reads. There are approximately 7,500 of such additional meter readings anticipated per year.

PROCUREMENT PROCESS

Documents in support of a public procurement process were developed and the solicitation was advertised on the City and BC Bid websites. The solicitation required proponents to submit unit pricing for each type of service requirements on projected volumes for that type of work over a two year term of the contract, as well as information that would allow the City to evaluate whether the proponent had the required experience, capability, capacity, resources (staff and equipment) and skills necessary to undertake the work.

The solicitation specified that the water meter reading services contract would be for a period of two years with three optional one year renewals in favour of the City.

This public competitive procurement process resulted in the City receiving a total of three (3) submissions.

EVALUATION PROCESS

The staff of the Finance & Technology Department and the Engineering Department reviewed the submissions for accuracy and completeness.

The submissions were evaluated based on the following criteria:

1. Management Review Factors (demonstrated experience, capacity, reputation)
2. Technical Review Factors (methodology, standards, milestone dates, safety record)
3. Financial Review Factors (estimated annual cost)

This process is consistent with the City's competitive procurement policy.

After a review of the proposals, clarifications and interviews with various proponents, and work references verified; the evaluation team determined that Corix Utilities Inc. was determined to provide the best value to the City.

Corix has previously read meters for the City of Surrey and is familiar with the equipment, resource and process requirements.

FUNDING

Funding for this contract is available in the approved 2017 Water Operations Budget.

SUSTAINABILITY

The City's water metering program supports the objectives of the City's Sustainability Charter. In particular the program supports the following Infrastructure Desired Outcome and Strategic Direction:

- DO15: All water is used efficiently and per capita water use is decreasing year over year.
- SD12: Continue to explore, develop and implement policies and tools to support water conservation and recovery.

CONCLUSION

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