

REGULAR COUNCIL

TO: Mayor & Council **DATE: September 7, 2017**

FROM: General Manager, Engineering **FILE: 1217-002/11**

SUBJECT: Award of Contract M.S. 1217-002-11
Water Meter Installations, Testing and Maintenance

RECOMMENDATION

The Engineering Department recommends that Council:

1. Award Contract M.S. 1217-002-11 to CORIX Utilities Inc. for a two (2) year term in an annual amount of \$3,284,088.67, including GST, for water meter installations, testing and maintenance;
2. Set the expenditure authorization limit for Contract M.S. 1217-002-11 at \$3,600,000.00 per year, including contingency and GST; and
3. Authorize the General Manager, Engineering to execute Contract M.S. 1217-002-11.

SCOPE OF WORK

The scope of work associated with this contract consists of various water meter installations, testing and maintenance:

- 2,200 volunteer water meter installation requests;
- 2,000 mandatory water meter installations;
- 2,840 meters to be tested for accuracy verification; and
- Maintenance, repair and replacement of existing meters and ancillary components that are not functioning as intended.

BACKGROUND

In 1998, the City implemented a universal water meter program that mandates the installation of water meters for all new homes (built since 1998) and encourages the installation of water meters for homes built prior to 1998 on a volunteer request basis.

To date, approximately 62,300 single family homes in Surrey are fitted with a water meter, which represents 73% of all single family homes in the City. There are approximately 22,700 single family homes that do not yet have a water meter.

Based on the recent rate of installations, it is estimated that over the next two years approximately 2,000 meters will be installed by the City's contractor (at the expense of developers) for new residential single family dwellings, along with an additional 2,200 meters installed on a volunteer request basis.

Water meter installation provides the homeowners with information about their household water usage, allowing them to take control of their water consumption and utility bill.

DISCUSSION

Earlier this summer, the Engineering Department initiated Contract M.S. 1217-002-11 to solicit pricing for water meter installations, testing and maintenance. The results of this competition are reflected below.

Tender Results

Tenders for the subject contract were opened on July 31, 2017 with the following results:

<i>Contractor</i>	<i>Tendered Amount (Annual Cost) with GST</i>	<i>Corrected Amount</i>
1. CORIX Utilities Inc.	\$3,284,088.67	No Change
2. Neptune Technology Group	\$4,129,822.22	No Change

The Engineer's (Urban Systems Ltd.) pre-tender estimate for the annual cost of this service was \$3,704,822.20, including GST.

Evaluation

The City's consultant reviewed the tender submissions for accuracy and completeness. No errors were found. The low bidder, CORIX Utilities Inc., has met all the requirements of the tender process.

CORIX Utilities Inc. has provided water meter installation services for the City since 2001. During that time period, they have installed 34,900 meters under the voluntary metering program and 17,500 meters have been installed under the new residential construction program. CORIX Utilities Inc.'s performance has been satisfactory. They have no outstanding legal claims against the City. It is recommended that CORIX Utilities Inc. be awarded Contract M.S. 1217-002-11.

SUSTAINABILITY CONSIDERATIONS

The City's water meter program supports the objectives of the City's Sustainability Charter. In particular, this contract supports the Sustainability Charter theme of Infrastructure. Specifically, this contract supports the following Desired Outcomes:

- All Infrastructure DO1: City facilities and infrastructure systems are well managed, adaptable and long lasting, and are effectively integrated into regional systems; and
- Water DO15: All water is used efficiently and per capita water use is decreasing year over year.

FUNDING

Funding for this contract is available in the approved 2017 Water Utility budget and the approved 5-Year Financial Plan.

Fraser Smith, P.Eng., MBA
General Manager, Engineering

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