



Legislation Text

File #: 1802-2024, **Version:** 1

BACKGROUND: This legislation authorizes the Director of Public Utilities to modify to increase a service contract with Sensus USA, Inc. for the Enhanced Meter Project. This is a joint project between the Division of Water (DOW) and the Division of Power (DOP). Funds in the amount of \$2,000.00 have been encumbered for prevailing wage services to the Department of Public Service.

The intent of this project is to provide the City of Columbus, Department of Public Utilities with the supply and installation of power meters, the installation of city issued water meters, the supply and installation of all communications infrastructure and all software required to operate an Enhanced Meter System to interface with the City of Columbus systems and applications. The DOW and the DOP will be funding this project through various funding sources. The solution will allow both DOW and DOP to collect meter readings and provide enhanced services for DOW's approximately 300,000 customers/accounts and DOP's approximately 16,000 customers/accounts.

The original ordinance (1024-2020) authorized the Director of Public Utilities to enter into a long term Spectrum Lease Agreement in order to operate Sensus's FlexNet equipment. The Spectrum that Sensus is leasing is authorized by Sensus's FCC License(s) and is limited to the service area where the FlexNet equipment will be operated. The frequencies of the FCC License within the City's geographic Service Area are called the "Leased Spectrum" and the City will pay fees to Sensus for the use of the Leased Spectrum.

The first modification ordinance (0223-2021) increased the funding by \$2,303,586.03 as was planned in the original proposal. The funds were for the purchase and installation of electricity meters, related components and other required services. The second modification (2436-2022) increased the funding by \$500,000.00 to account for customer growth causing an increase in demand for meters.

This modification of \$500,000.00 will allow for additional customer growth and an increased quantity of meters.

Planning area: "99 - Citywide" (Entire service area including suburbs)

The Water Portion of this project has been approved for below market rate loan financing through the Ohio Environmental Protection Agency's Water Supply Revolving Loan Account (WSRLA) which is administered by the Ohio Water Development Authority (OWDA). Loan No. 8884 was awarded April 30, 2020. Federal Davis Bacon Wage Rates and Requirements apply.

THE PROJECT TIMELINE: The original term of this Contract was for 1,500 calendar days after the date of the Notice to Proceed in accordance with the approved schedule included in the Statement of Work. The contract is expected to be completed in less than 5 years, however, this may change in the future if a change order is presented and approved by the Division of Water.

BID INFORMATION: The selection of the firm providing the services was performed in accordance with the procedures set forth in Columbus City Code, Section 329.28. The evaluation criteria included: 1. Understanding of Project, 2. Environmental Considerations, 3. Past Performance, 4. Local Workforce, in addition to 5. Warranty and 6. Support, Maintenance, & Training.

On March 22, 2019, the Department received four (4) proposals from Sensus USA, Aclara Technologies, Itron and Celco Partnership DBA Verizon Wireless.

An evaluation committee reviewed the proposals and scored them based on the criteria mentioned above. The Department of Public Utilities awarded the contract to Sensus USA, Inc. Based on the nature of the services to be provided, the use of various funding sources and the timeline for the implementation of various phases of the project, two contracts were executed. One contract provides for the initial supply and installation of meters and the communications infrastructure. The second contract provides for the software, operation support and maintenance necessary for the ongoing operation of the Enhanced Meter System and was authorized under separate legislation.

The Department of Public Utilities requested and received a waiver of the provisions of Chapter 329 related to procurement to authorize the execution of both contracts pursuant to the RFP process described above.

SUPPLIER: Sensus USA, Inc., vendor #008960, exp. 2/2/26, MAJ

Searches in the Excluded Party List System (Federal) and the Findings for Recovery list (State) produced no findings against Sensus USA, Inc.

1. Amount of additional funds: The total amount of additional funds needed for this contract modification #3 is \$500,000.00. Total contract amount including this modification is \$79,649,337.89.
2. Reason additional funds were not foreseen: This contract modification is needed to fulfill the funding requirements for the project by the Division of Power. This modification was anticipated and explained in the original contract language when it was signed between the City and Sensus USA, Inc. The funding will be used for the installation of electricity meters, related components and other required services to complete the contract.
3. Reason other procurement processes were not used: Work under this modification is a continuation of services included in the scope of the original bid contract.
4. How was cost determined: The cost, terms and conditions of the renewal are in accordance with the original agreement.

ECONOMIC/ENVIRONMENTAL IMPACT: The Enhanced Meter Project will replace outdated and under-performing meters, install radio transmitting infrastructure to allow wireless readings relayed to the billing software at a central location and provide an environmentally efficient way to read meters. The project will greatly enhance customer service capabilities, make improvements to operational efficiency and provide increased revenue protection. There is extensive community outreach included in the contract. The project is also expected to have a positive environmental impact by reducing the number of vehicles on the road.

Cost summary:

Original Contract:	
DOW	\$73,846,819.86 (Loan)
DOP	\$1,500,000.00 (Operating Cash)
2020 CONTRACT TOTAL	\$75,346,819.86
Loan Origination Fees	\$996,932.00
Prevailing Wage Services	\$2,000.00
Grand Total of Legislation	\$76,345,751.86
DOP 2021 Contract Modification:	\$2,303,586.03 (Operating Cash)
DOP 2022 Contract Modification:	\$500,000.00 (Operating Cash)
Total of Modified Legislation	\$79,149,337.89
This Contract Modification:	\$500,000.00 (Operating Cash)

Total Contract (Original + Mods): \$79,649,337.89

FISCAL IMPACT: \$500,000.00 is budgeted in the Electricity Operating Fund and needed for this purchase.

\$271,671.96 was spent from the Electricity Operating Fund in 2023

\$487,976.69 was spent from the Electricity Operating Fund in 2022

To authorize the Director of Public Utilities to modify to increase funding to a service contract with Sensus USA, Inc. for the Enhanced Meter Project; and to authorize the expenditure of up to \$500,000.00 from the Electricity Operating Fund. (\$500,000.00)

WHEREAS, four (4) proposals for the Department of Public Utilities' Enhanced Meter Project were received on March 22, 2019; and

WHEREAS, the selection of the firm providing the services was performed in accordance with the procedures set forth in Columbus City Code, Section 329.28, relating to Request for Proposals; and

WHEREAS, based on the nature of the services to be provided, the use of various funding sources and the time for implementation of various phases, two contracts were executed; and

WHEREAS, the first contract provides for the initial supply and installation of meters and communications infrastructure and the second contract provides for the software, operation support and maintenance necessary for the ongoing operation of the Enhanced Meter System; and

WHEREAS, the Department of Public Utilities requested and received a waiver of the provisions of Chapter 329 related to procurement to authorize the execution of both contracts pursuant to the RFP process described above; and

WHEREAS, the Department of Public Utilities awarded the contract to Sensus USA, Inc. in the amount of \$75,346,819.86; and

WHEREAS, loan origination fees of \$996,932.00 and prevailing wage services in the amount of \$2,000.00 were included in the original project; and

WHEREAS, the first modification was completed to fulfill the funding requirements for the Division of Power for \$2,303,586.03; and

WHEREAS, the second modification was necessary due to an increase in customer growth causing an increase in demand for meters and a dip in standing inventory; and

WHEREAS, it is necessary to modify to increase the existing contract with Sensus USA, Inc. in the amount of \$500,000.00 and to authorize the expenditure of up to said amount in order to fulfill the funding requirements for the project by the Division of Power; and

WHEREAS, this ordinance is being submitted in accordance with the relevant provisions of Chapter 329 of the City Code pertaining to contract modifications; and

WHEREAS, it has become necessary in the usual daily operation of the Department of Public Utilities to authorize the

Director to modify and increase a service contract with Sensus USA, Inc. for the Enhanced Meter Project in accordance with the terms, conditions and specifications on file, for the preservation of the public health, peace, property, safety;
NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:

SECTION 1. That the Director of Public Utilities is hereby authorized to modify to increase funding to a service contract with Sensus USA, Inc. for the Enhanced Meter Project in accordance with the terms and conditions as shown in the contract on file in the office of the Department of Public Utilities. The total amount of this modification #3 is \$500,000.00. The total contract amount including this modification is \$79,649,337.89.

SECTION 2. That the said company, Sensus USA, Inc., shall perform the work to the satisfaction of the Director of Public Utilities and the Administrators of the Division of Water and Division of Power.

SECTION 3. That this contract modification is in accordance with the relevant provisions of Chapter 329 of City Code relating to contract modifications and renewals.

SECTION 4. That the expenditure of \$500,000.00 or so much thereof as may be needed, is hereby authorized in Fund 6300 Electricity Operating Fund in object class 03 Services per the accounting codes in the attachment to this ordinance.

SECTION 5. That the funds necessary to carry out the purpose of this ordinance are hereby deemed appropriated and the City Auditor shall establish such accounting codes as necessary.

SECTION 6. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.