

MEMORANDUM

TO: Donna Barron, City Manager

VIA: Keith Marvin, P.E., Director of Public Services

FROM: James Wallingsford, ULM Manager

DATE: December 5, 2018

SUBJECT: **Approval of a Contract Award for Manual Water Meter Replacement to HydroPro Solutions, Georgetown, Texas, for an Estimated Amount of \$1,440,000; and Authorization for the City Manager to Execute the Agreement.**

BACKGROUND

The City of Lewisville delivers potable water to over 120,000 people daily, including those in our extraterritorial jurisdiction. This water is delivered through a network of pipes in our distribution system, and ultimately reaches the customer through a water meter. The system currently includes 20,752 residential meters, and 2,978 commercial meters. These meters range in size from ¾-inch to 16-inch, and are currently read along 71 routes throughout the city through a combination of city staff and contract meter readers.

The average age of a water meter in the system is 15 years old. A typical residential water meter provides reliable consumption data for about 15 years, or 1,000,000 gallons delivered. Beyond that point the accuracy begins to degrade. When water meter accuracy degrades it is almost always reading less water than is actually delivered.

On August 12, 2017, at the Budget Workshop, City Council approved the funding of the water meter change out program budgeted across seven consecutive budget years. During the staff presentation it was noted that replacing the aging meters would result in additional revenue through improved accuracy, thereby billing for all water delivered at each point of delivery. This increased revenue is projected to pay the cost of the installation program within the life expectancy of the new meters.

The development of the replacement program, and vendor selection process took longer than anticipated, and at this time two years' worth of funds are available for the project. The delay of the procurement process was associated with Public Services staff working with the North Central Texas Council of Governments to develop a regional solicitation for metering solutions through

their North Texas Share Program. Unfortunately, there were considerable delays in this program, and we ultimately needed to move forward on our own.

While the contract award will be for one year, with the option to renew for five additional years, this first year will cover two budget years' worth of installation. The total estimated project cost is \$6,000,000.

ANALYSIS

Request for Proposals (RFP #18-31-P) was issued on July 13, 2018 to provide for replacement of all aging meters with reliable, accurate, and easily accessible water meters throughout Lewisville. On August 16, 2018, Lewisville received 5 proposals from Aqua Metric, AVR, Hydro Pro, Fortiline and MIG. Within the RFP, the City of Lewisville set a point value to properly evaluate and score each proposer with a total of 100 points available to each proposer, the point values are listed below.

- Project Approach - 30 points
- References/Similar Projects - 30 points
- Acquisition Cost - 30 points
- Interview - 10 points

The rating and interview panel consisted of members from the City's Public Services and Purchasing departments. On October 3 & 4, 2018, the panel conducted interviews with Aqua Metric, MIG, Hydro Pro and Fortiline. After completing the scoring matrix, it was determined that Hydro Pro Solutions, equipped with Master Meter, received the most points. This decision was made based on a variety of variables. Some of these items are as follows:

- Hydro Pro Solutions has built a trusted relationship with the City of Lewisville over their 35 years working within Lewisville.
- The city currently uses the proposed meter with Hydro Pro Solutions, which will result in cost savings due to ongoing in-house change outs that are taking place, and compatibility with new meters being installed during the development process.
- The city currently uses billing software compatible with Master Meter (Harmony Software). This will allow for a streamline transition for our current contracted meter reading crews.
- Hydro Pro solutions is in Georgetown, TX, which should provide for quick and reliable customer service.
- Hydro Pro solutions demonstrated more experience than other vendors in the number of successful meter change out programs greater than 10,000 meters.

The contract being awarded is for one year, with the option to renew for five additional one-year periods. This project is budgeted at \$720,000 per year, with the first two years of funding available at this time in the CIP project account U1801 Meter Change outs.

RECOMMENDATION

It is City staff's recommendation that the City Council approve the award as set forth in the caption above; and authorize the City Manager to execute the agreement.