



REPORT FOR ACTION

Authority to negotiate a non-competitive Contract with Aclara Technologies LLC for the supply of Proprietary Meter Reading Hardware, System Upgrade and Annual Maintenance and Support

Date: June 25, 2018

To: Public Works and Infrastructure Committee

From: Acting General Manager, Toronto Water, Chief Information Officer, Information & Technology, and Chief Purchasing Officer, Purchasing and Materials Management Division

Wards: All

SUMMARY

This report requests Council authority for the Acting General Manager of Toronto Water and Chief Information Officer, Information & Technology to negotiate a non-competitive contract with Aclara Technologies LLC for the supply of proprietary meter reading hardware, system upgrades, annual maintenance and support for a period of five (5) years. Staff will report back on the results of the negotiation for Council approval, once the appropriate funding has been approved as part of the 2019 Toronto Water budget process.

RECOMMENDATIONS

The Acting General Manager, Toronto Water, the Chief Information Officer, Information & Technology and the Chief Purchasing Officer recommend that:

1. City Council authorize the Acting General Manager, Toronto Water and Chief Information Officer, Information and Technology or designate to negotiate a non-competitive contract with Aclara Technologies LLC for the supply of proprietary meter reading hardware, system upgrade, and annual maintenance and support for a period of five (5) years, on terms and conditions satisfactory to the Acting General Manager, Toronto Water and Chief Information Officer, Information & Technology, and in a form satisfactory to the City Solicitor.
2. City Council direct the Acting General Manager, Toronto Water, Chief Information Officer and the Chief Purchasing Officer to report back to Council in the first quarter of 2019 with the results of the negotiations for approval of the contract.

FINANCIAL IMPACT

The potential contract value is approximately \$3,810,000 net of all applicable taxes. Funding for the goods and service will be included in the 2019 Capital Budget and 2020-2028 Capital Plan Submission for Toronto Water and will be subject to the regular budget approval process. Staff will report back on the results of the negotiation for Council approval, once the appropriate funding has been approved as part of the 2019 Budget Process.

The Interim Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

At its meeting on June 23 and 24, 2008, City Council authorized:

a. the General Manager of Toronto Water and the Treasurer to negotiate and enter into an agreement, in a form satisfactory to the City Solicitor, with Neptune Technology Group (Canada) Limited in the total amount of \$191,756,663.14, net of GST including provisional items for the project; and

b. An upset limit of funds required to finance the project be set at \$219 million (net of GST), including contingency, provisional item and inflationary indexing for labour and materials over the implementation period of five years.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2008.PW16.12>

At its meeting on November 12, 2015, during consideration of report PW9.6 entitled "Water Meter Program - Final Report", the Public Works and Infrastructure Committee adopted the report without amendment.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.PW9.6>

COMMENTS

In 2009, the City entered into an agreement with Neptune Technology Group (Canada) Limited (Neptune) for the installation of water meters and local Meter Transmission Units (MTU). The work was undertaken between 2010 and 2015. More than 478,000 units were installed at every residence and business in the City of Toronto as part of the Water Meter Program.

The proprietary Aclara Technology Meter Reading System was installed to automatically obtain all of the water meter readings to facilitate the billing process. The proprietary system at every home and business in the City of Toronto transmits directly into the City's Water Billing system. This smart meter reporting technology supplied by Aclara Technologies LLC (Aclara), includes: NCC (Network Control Computers), DCU (data collection units) and MTUs (meter transmission units). Continued use and maintenance of Aclara manufactured equipment will ensure ongoing reliable operation

of the City's Water billing and reporting systems. The City's agreement with Neptune will expire on December 31, 2018 and Neptune is no longer authorized as a supplier for Aclara's products and services.

Aclara is the sole manufacturer, supplier and maintenance provider of the system with no other systems being compatible. The continued use, maintenance and upgrades to the Aclara manufactured equipment ensures the ongoing reliability of the City's Water billing and reporting systems. As such, this authority is to engage Aclara directly and negotiate a package that includes the supply of proprietary meter reading hardware, system upgrades and annual hardware and software maintenance.

The negotiations with Aclara will include the following areas: 1) the purchase of hardware upgrades to implement two-way communications (data sending and receiving resulting in increased band-width utilization) thus improving the frequency of data and customer service; 2) the supply of specialized factory-trained technicians for the maintenance of the Aclara software and Data Collector Units; and, 3) a system life cycle requirement review to determine any future enhancements and maintenance that may be required.

Funding for these current upgrades and services will be incorporated into the Toronto Water 2019 Capital budget. Once the appropriate funding has been approved staff will report back to Council in the first quarter of 2019 with the results of the negotiations for approval of the contract.

CONTACT

Carlo Casale, Manager, Customer Care Services, Toronto Water, Telephone: 416-392-8279, Email: Carlo.Casale@toronto.ca

Hemali Wijesundara, Manager, Finance & Enterprise IT Contract Management, Information & Technology, Telephone: 416-392-8164, Email: Hemali.Wijesundara@toronto.ca

SIGNATURE

Frank Quarisa
Acting General Manager, Toronto Water

Rob Meikle
Chief Information Officer, Information & Technology

Michael Pacholok
Chief Purchasing Officer, Purchasing & Materials Management Division