

NO: **R217**

COUNCIL DATE: **November 28, 2011**

REGULAR COUNCIL

TO: **Mayor & Council**

DATE: **November 25, 2011**

FROM: **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 authorize the appropriate officials of the City to execute a contract with Corix Utilities for the provision of water meter reading services for the 2012 calendar year at a rate per meter of \$1.89 (excluding HST) for 'Regular' meter readings and at a rate of \$14.66 (excluding HST) per meter for 'Special' meter readings with an estimated total value of \$525,000 including HST and with options in favour of the City to renew the contract for each of two separate additional one-year periods, being for the 2013 and 2014 calendar years, respectively, with the meter reading rates in each of the option years being the same as the rates that are to be paid by the City in 2012.

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 55,000 metered water utility customers. It is projected that this number will increase at a rate of 12,000 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. There are approximately 6,000 of such additional meter readings per year.

Corix Utilities Inc is currently contracted by the City for meter reading services for the 2011 calendar year.

A Request for Proposals (RFP) for meter reading services for 2012 with options in favour of the City to extend the contract for each of 2013 and 2014, respectively, was issued under the title "RFP 1220-030-2011-035 Water Meter Reading Services" in August 2011 with the RFP closing on September 20, 2011.

DISCUSSION

Corix Utilities was the only proponent to submit a proposal in response to the RFP. Corix is headquartered in Vancouver, BC and is a Canadian-owned company. Corix is a leading provider of products and services for municipal utility infrastructure in Canada and the United States. The City's experience with Corix has been very satisfactory.

The proposal submitted by Corix includes a lower reading rate per meter than is currently being paid by the City in 2011. This efficiency appears to be related to the new rotational approach that has been adopted by the City in relation to the reading of water meters across the City. The 2012 rate per meter based on the Corix proposal is \$1.89 (excluding HST) per meter for regular readings (down from \$2.33 in 2011) and \$14.66 (excluding HST) per meter for Special readings (down from \$15.00 in 2011). The contract is expected to cost approximately \$525,000, including HST, for 2012. Corix has proposed that their reading rates per meter for each of the option years of the contract would remain the same as the 2012 rates. The estimated total cost of the contract if the options are exercised is \$1,680,000 including HST, which includes the expected annual growth in the number of water utility accounts for which meters will need to be read.

SUSTAINABILITY

The City's water metering program supports the objectives of the City's Sustainability Charter; more particularly, action item EN8 "*applying sustainable engineering standards and practices*" to encourage effective stewardship of the Region's water resources.

CONCLUSION

Based on the above discussion, it is recommended that Council authorize the appropriate officials of the City to execute a contract with Corix Utilities for the provision of water meter reading services for the 2012 calendar year at a rate per meter of \$1.89 (excluding HST) for 'Regular' meter readings and at a rate of \$14.66 (excluding HST) per meter for 'Special' meter readings with an estimated total value of \$525,000 including HST and with options in favour of the City to renew the contract for each of two separate additional one-year periods, being for the 2013 and 2014 calendar years, respectively, with the meter reading rates in each of the option years being the same as the rates that are to be paid by the City in 2012.

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