



# CITY COUNCIL

## AGENDA REQUEST

<b>AGENDA OF:</b>	<b>05-02-17</b>	<b>AGENDA REQUEST NO:</b>	<b>V-A</b>
<b>INITIATED BY:</b>	<b>JENNIFER BROWN</b>	<b>RESPONSIBLE DEPARTMENT:</b>	<b>FINANCE/TREASURY</b>
<b>PRESENTED BY:</b>	<b>JENNIFER BROWN DIRECTOR OF FINANCE</b>	<b>DIRECTOR:</b>	<b>JENNIFER BROWN</b> <i>JB</i>
		<b>ADDITIONAL APPROVAL:</b>	<b>BRIAN BUTSCHER</b> <i>BB</i> <b>ASSISTANT PUBLIC WORKS DIRECTOR</b>

**SUBJECT / PROCEEDING:** **CONTRACT FOR WATER METER READING SERVICES  
CONSIDER AND APPROVE A CONTRACT WITH OLAMETER CORPORATION FOR METER READING SERVICES**

**EXHIBITS:** **CONTRACT**

CLEARANCES	APPROVAL
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<b>LEGAL:</b>	<b>MEREDITH RIEDE,</b> <i>MRR</i> <b>CITY ATTORNEY</b>	<b>EXECUTIVE DIRECTOR:</b>	<b>N/A</b>
<b>PURCHASING:</b>	<b>TODD REED</b> <i>TR</i> <b>PURCHASING MANAGER</b>	<b>ASSISTANT CITY MANAGER:</b>	<b>MIKE GOODRUM</b> <i>MWG</i>
<b>BUDGET:</b>	<b>JUSTIN ALDERETE</b> <i>JA</i> <b>BUDGET OFFICER</b>	<b>ASSISTANT CITY MANAGER:</b>	<b>N/A</b>
		<b>CITY MANAGER:</b>	<b>ALLEN BOGARD</b> <i>AB</i>

BUDGET
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<b>EXPENDITURE REQUIRED: \$</b>	<b>360,000 FY17-18, \$410,000 FY18-19</b>
<b>CURRENT BUDGET: \$</b>	<b>334,000</b>
<b>ADDITIONAL FUNDING: \$</b>	<b>28,000 IN FY18, \$50,000 IN FY19</b>

RECOMMENDED ACTION
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Consideration and approval of a contract with Olameter Corporation in the amount of \$410,000 for meter reading services.

## EXECUTIVE SUMMARY

The City of Sugar Land provides water utility service to approximately 29,200 accounts as of October 2016. Of this total, approximately 26,250 are residential; 1,140 are commercial; 1,700 are irrigation/sprinkler lines, and the balance is comprised of fire lines, multi-family meters, and well meters. In December 2017, the City will be adding an additional 9,900 metered connections, primarily residential, as part of the annexation of Greatwood and New Territory.

Every water meter in the City of Sugar Land is read monthly. Read dates vary for each customer depending on the cycle and route the customer's account is in, which is based on defined geographic regions of the City. Some cycles, depending on size and geography, are read together on the same day. The City currently has 18 billing cycles; the number of cycles may increase due to the annexation, but that has not been determined at this time. The goal is to have consistent bill dates and a relatively even distribution of meter reading, billing and collection activity throughout the month, as feasible. Numerical reads are obtained by field technicians at the meter box and entered into a handheld device. These handhelds are then brought back to the Treasury Division where staff uploads the meter read information into the billing system. The following work day, billing staff reviews the readings for reasonableness and issues work orders for reads that appear to be unusually high or low than reads for prior months. These re-reads are known as the "Exception List". Re-reads issued are offered as a courtesy to the customer to ensure accurate billing information is obtained.

Once re-reads have been completed, the cycle information is updated into the billing system and customer bills go out the following work day via e-mail or through the U.S. Postal Service.

An Invitation to Bid for Bid No 2017-05 was advertised with sealed bids due Thursday April 13, 2017. Three bids were received by the deadline. The bids were opened and read at that time.

Bid results are as follows:

Bidder	Cost per Meter
Alexanders Contract Services	\$1.030
Severn Trent Services	0.960
Olameter Corporation	0.871

The apparent low bidder is Olameter Corporation. The first year of the contract will be six months based on the current city limits and six months including Greatwood and New Territory. The first year cost is estimated at \$360,000 for an estimated 39,200 meters. Annual cost after the annexation is estimated at \$410,000 for a full year with up to 39,200 meters.

City staff has reviewed Olameter Corporations' financials and relevant work experience and has determined that they are more than qualified to perform the work. Olameter Corporation provides outsourced utility solutions and has been servicing gas, water, electric, and telecommunications utilities, energy retailers, and energy management entities since 1985, formerly as UNIBAR Services Inc. They currently service over 250 clients that range from large investor and government-owned utilities to small co-ops and municipalities. Olameter reads approximately 3.2 million meters annually and their clients include San Antonio Water System, Centerpoint, Duke, Entergy, Hydro Quebec, and Union Gas.

Staff recommends approval of a one-year contract with Olameter Corporation for meter reading services in the amount of \$410,000. The contract renews automatically under the same terms and conditions for four (4) additional one year terms. The contract to be awarded is effective beginning June 5, 2017.

## EXHIBITS





provision; (2) creates liability for either party that would not exist by law in the absence of the provision; or (3) waives or limits either party's rights, defenses, remedies, or immunities that would exist by law in the absence of the provision.

E. Assignment. The Contractor may not assign this Contract without the City's prior written consent.

F. Law Governing and Venue. This Contract is governed by the law of the State of Texas and a lawsuit may only be prosecuted on this Contract in a court of competent jurisdiction located in or having jurisdiction in Fort Bend County, Texas.

G. Entire Contract. This Contract represents the entire Contract between the City and the Contractor and supersedes all prior negotiations, representations, or contracts, either written or oral. This Contract may be amended only by written instrument signed by both parties.

H. Independent Contractor. The Contractor will perform the work under this Contract as an independent contractor and not as an employee of the City. The City has no right to supervise, direct, or control the Contractor or Contractor's officers or employees in the means, methods, or details of the work to be performed by Contractor.

I. Dispute Resolution Procedures. If either party disputes any matter relating to this Contract, the parties agree to try in good faith, before bringing any legal action, to settle the dispute by submitting the matter to mediation before a third party who will be selected by agreement of the parties. The parties will each pay one-half of the mediator's fees.

J. Attorney's Fees. Should either party to this Contract bring suit against the other party for any matter relating to this Contract, neither party will seek or be entitled to an award of attorney's fees or other costs relating to the suit.

K. Severability. If a court finds or rules that any part of this Contract is invalid or unlawful, the remainder of the Contract continues to be binding on the parties.

L. Contractual Limitations Period. Any provision of the Contract that establishes a limitations period that does not run against the City by law or that is shorter than two years is void. (Sections 16.061 and 16.070, Texas Civil Practice and Remedies Code)

M. Conflicting Provisions. If there is a conflict between a provision in the Contractor's Additional Contract Documents and a provision in the remainder of this Contract, the latter controls.

N. Copyright. Any original work (the Work), including any picture, video, music, brochure, writing, trademark, logo or other work created by the Contractor for the use of the City under this Contract is a "work made for hire," as defined by federal copyright law. If the Work is not by law a "work made for hire," the Contractor by execution of this Contract assigns to the City all of its rights to the Work, including the copyright. The City, as the author and owner of the

copyright to the Work, may alter, reproduce, distribute, or make any other use of the Work as it deems appropriate.

O. Standard of Care for Architects and Engineers. Services must be performed with the professional skill and care ordinarily provided by competent licensed engineers or registered architects practicing in the same or similar locality and under the same or similar circumstances and professional license.

P. Disclosure of Interested Persons for Council-Approved Contracts. Contracts that require City Council approval, such as contracts that exceed \$50,000, are subject to the requirements of Section 2252.908, Tex Gov't Code. Under the provisions of this statute:

(1) The City may not enter into a contract with a business entity that requires Council approval unless the business entity submits a disclosure of interested persons at the time the business entity submits a signed contract to the City;

(2) A disclosure of interested parties must be submitted on a form prescribed by the Texas Ethics Commission (Commission) that includes:

- (a) A list of each interested party for the contract of which the contractor business entity is aware, an interested party being a person who has a controlling interest in the business entity or who actively participates in facilitating or negotiating the terms of the contract, including a broker, intermediary, adviser, or attorney for the business entity; and
- (b) The signature of the authorized agent of the contracting business entity, acknowledging that the disclosure is made under oath and under penalty of perjury.

The Commission has approved a Certificate of Interested Persons form, which must be filled out, signed and notarized by the Contractor and submitted to the City at the time of execution of this Contract, along with the certification of filing generated from the Commission's website at <https://www.ethics.state.tx.us/tec/1295-Info.htm> . The Certificate of Interested Persons form is available on the Commission's website and the Contractor must follow the Commission's filing process adopted pursuant to the statute.

Q. Compliance with Laws. The Contractor must comply with the federal, state, and local laws, rules and regulations applicable to the Project and its services under this Contract

**IV. Additional Terms or Conditions.** None.

**V. Additional Contract Documents.** The following documents attached to this Contract are part of this Contract:

Exhibit A. Contractor's Additional Contract Documents:

A-1. Certificate of Interested Persons with Certification of Filing

A-2. Olameter Corporation Response to City of Sugar Land RFP 2017-05 dated April 11 (58 pages)

Exhibit B. City's Additional Contract Documents:

B-1. City of Sugar Land RFP 2017-05 & Addendum #1 (37 pages)

B-2. Requirements for all Insurance Documents (6 pages)



