



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: November 23, 2010

TO: Mayor and Councilmembers

FROM: Water Resources Division, Public Works Department

SUBJECT: Purchase Order Contract And Vendor Support For Handheld Meter Reader Devices

RECOMMENDATION: That Council:

- A. Authorize the General Services Manager to award a Purchase Order Contract in the amount of \$45,100 to Inland Water Works Supply Company (Inland), for the purchase of Itron computerized handheld meter reader devices, related software and training;
- B. Authorize the General Services Manager to award a Purchase Order Contract in the amount of \$1,400 to Itron Incorporated (Itron) for the first year of software support; and
- C. Authorize Itron System as the sole source vendor for future system enhancements, such as remote meter reading, through Fiscal Year 2015.

DISCUSSION:

City meter reader staff use handheld devices to collect water meter usage data on a monthly basis for billing purposes. The current handheld devices have been in use for approximately two decades. They have outlived their useful life and are no longer supported by the manufacturer. Many improvements have been made in the areas of meter reading technology and methodology, offering great opportunities for increased efficiency with regard to meter reading.

Staff sent a Request For Proposal (RFP) to vendors specializing in meter reading equipment, and received proposals from five interested firms. Water Resources and Information Systems staff interviewed three vendors whose proposals best met the needs of the City. Staff's selection criteria included cost and vendor responsiveness, as well as equipment design, availability and ease of use, compatibility with existing City systems, and adaptability for future automated meter reading capabilities.

Staff found that the Itron System best meets the City's requirements. The Itron system has the best flexibility, robustness, and overall design. The Itron software is compatible with the City's existing Infinity Utility Billing system, and the Itron handheld devices are ergonomically designed and have both GPS and mapping capabilities. The Itron System can be easily adapted for automatic meter reading, whether performed via a walk-by, drive-by, or via a fixed network to meet the City's future needs. References provided very positive endorsements of Itron products and their technical support services.

Itron is an industry leader for meter reading devices throughout the water, gas, and electric industry. Itron's handheld devices are used by more than 58 California cities and water utilities, including the Los Angeles Department of Water and Power, Southern California Edison, Southern California Gas Company, and San Diego Gas.

Inland is the distributor for Itron handheld meter reading devices. Inland is a California-based company and provides similar meter reader support and services to water agencies throughout Southern California. Inland's references were very positive for both service and support.

Based on the above, staff recommends Itron Systems be authorized as the sole source vendor for any additional enhancements made to the meter reading system. If appropriate, staff will bring to City Council for their approval any contracts executed with Itron in the future.

Staff has negotiated an acceptable proposal in the amount of \$45,100 with Inland for the purchase of six Itron handheld devices and associated hardware, software and training. Staff has also negotiated an acceptable proposal in the amount of \$1,400 from Itron for a year of software support. Itron handheld devices will be used by Water Resources into the foreseeable future, so staff is recommending identifying Itron as the vendor for support and maintenance for Fiscal Years 2012 through 2015.

At its meeting on November 8, 2010, the Water Commission voted 5-0 in favor of staff's recommendation of this report.

BUDGET/FINANCIAL INFORMATION:

Funds were budgeted in the Water Fund to cover these expenses.

PREPARED BY: Catherine Taylor, Water System Manager/mh

SUBMITTED BY: Christine F. Andersen, Public Works Director

APPROVED BY: City Administrator's Office