



Legislation Text

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TO: Mayor and City Commission

FROM: Samuel A. May, City Manager

DATE: September 5, 2018

APPROVING A RENEWAL OF THE AGREEMENT WITH INFRAMARK LLC, FORMERLY KNOWN AS SEVERN TRENT ENVIRONMENTAL SERVICES, INC., TO PROVIDE FOR WATER METER DISCONNECTIONS, WATER METER RESTORATIONS, AND ADDITIONAL SERVICES; PROVIDING FOR TERM; PROVIDING FOR RATE PER METER INCREASE; PROVIDING FOR EFFECTIVE DATE.

BACKGROUND: The City approved a contract in July 2015 for water meter reading services with Severn Trent Environmental Services, Inc. for an initial one-year term and for annual renewal for one year terms without further Commission action. The vendor provides all vehicles, uniforms, and insurance (including workers' compensation, automobile, and liability). When the Agreement was signed, the City had begun to put automated meter reading (AMR) devices in place to electronically read meters to eliminate the manual meter reading process. The changing of the meters to AMR was complicated because the State recently mandated a backflow device to be installed on all residential accounts. Meter connections are sometimes under sidewalks or driveways which also further delays the installation process. To date, 8,007 meters are on electronic meter reading and 8,866 meters continue to be read manually. DEES intends to contract out the meter installation to continue to move the project forward.

The initial agreement provided for a per meter fee of \$0.92 for manual reads and that meter reading fees shall be increased on an annual and compounded basis, by the lesser of 4% or the Price Index increase. The vendor did not increase pricing until January 2018 when the per meter fee was changed to \$0.94. This occurred simultaneously when the vendor re-organized into two broad business lines for water infrastructure operations and infrastructure management services and changed its name to Inframark. The current contract is due to expire on September 30, 2018. When the annual renewal notice was sent to the vendor, they requested a 23% increase or \$1.15 per manual read. The City was able to negotiate with the vendor and obtain a 10% increase or \$1.03 per manual read. Subsequent to the City providing an extension letter to confirm acceptance of the extension terms, Inframark responded with an additional amendment changing their termination option from 120 to 60 days with written notice to the City.

Since the City is converting to electronic meter reading and this contract will continue to be phased out, we recommend signing a one-year extension at the manual read price of \$1.03 per meter. We requested pricing from two other vendors that provide this service. One vendor is not interested in doing business with the City due to the implementation of the AMR system and various payment/claims terms within the contract. The other vendor has a rate of \$1.17 per meter for manual reads.

RECOMMENDATION: For approval.

FISCAL IMPACT: Increase from \$.94 to \$1.03 per meter.

CONTACT PERSON: Mary Beazley, Finance Director