

Legislation Text

File #: 18-5585, **Version:** 1

PROFESSIONAL SERVICES AGREEMENT WITH METEREADERS, LLC TO READ WATER METERS

COUNCIL INITIATIVE ADDRESSED:

Continue effective financial management

CITY ATTORNEY REVIEW: REQUIRED

SUMMARY STATEMENT:

In 1986, after soliciting proposals, the City contracted with Metereaders, Inc. of Lake Oswego, OR to read the City's water meters rather than continue to do so with City staff. After seven years contracting with Metereaders, staff again solicited proposals for meter reading services. From the five proposals received, the city council awarded a contract to Farwest Energy Management of Longview, WA effective February 1, 1994. Farwest had been reading the City's meter since that time.

In recent years, Farwest's performance had been deteriorating, and in 2018 they demonstrated serious deficiencies and were regularly unable to complete readings by their due dates. In June 2018, Farwest fell so far behind in their reading schedule that staff declared them to be in default and terminated their contract. At that time, City utilities staff took over meter reading duties and has continued reading meters.

Since that time, staff has identified significant inefficiencies in the route sequencing, and hundreds of meter condition deficiencies that were not reported to the City. Staff is working to revise routing sequencing and to identify all deficient meter conditions and schedule them for repair. Staff has also determined that it is not the best use of resources to continue reading meters with City staff and recommends contracting with a different company to provide meter reading services at this time.

Due to an urgent need to resume contracting meter reading services and improve meter reading efficiency, and to allow staff to resume their normal duties and to repair the deficient meters, staff researched companies performing such services in this area and identified Metereaders as the preferred company. Metereaders currently reads meters for Beacon Hill Water and Sewer District and will soon read meters for the City of Kelso. They also provide services to other communities in southwest Washington and Northwest Oregon. Due to the urgent need, staff recommends waiving the City's purchasing policy to solicit proposals and award a one year contract to Metereaders, with options to renew the contract. The proposed contract and scope of work is attached for your review.

FINANCIAL SUMMARY:

Farwest Energy Management was most recently compensated an average of \$0.82 per meter read. The proposed contract with Metereaders provides for compensation of \$0.87 per meter read, plus a start-up fee of \$0.87 per meter to be read. The estimated start-up fee is \$11,800 and the estimated annual compensation is \$80,000. These fees would be paid by the Water Operations fund.

RECOMMENDED ACTION:

Motion to waive the Longview Purchasing Manual policy to solicit proposals and to award a contract to Metereaders.

STAFF CONTACT:

Jeff Cameron, Public Works Director