

CITY COUNCIL REGULAR SESSION

Resolution authorizing a second amendment to a contract with Itron, Inc., for equipment and services in the development and implementation of an Advanced Metering Infrastructure (AMI) system, in order to revise the original installation schedule to accommodate cellular communication hardware availability.

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Utilities Department

EXECUTIVE SUMMARY

Utilities requests Council approve the proposed second amendment to a contract with Itron, Inc. to revise the original installation schedule to accommodate cellular communication hardware availability.

RECOMMENDATION

Move to adopt Resolution No.9900

BACKGROUND/ANALYSIS

On December 5, 2016, the City Council approved \$23.089M in capital funding for an AMI or “Smart Water Meter” system as a part of the Utilities Department 2017-2023 Capital Investment Program (CIP) budget. Staff then conducted the procurement process, and selected Itron, Inc.

On December 10, 2018, Council passed Resolution No. 9511 authorizing execution of an agreement with Itron for equipment and services (excluding the customer portal) for the deployment of an AMI in an amount not to exceed \$20.2M, plus all applicable taxes, for a 20-year term.

On December 2, 2019, Council passed Resolution No. 9692, authorizing Amendment #1 to the Itron contract. This amendment modified the smart meter approach from a series of collectors to a cellular installation and modified the contract value from \$20.2M, plus all applicable taxes, to \$21.1M. Cellular technology is a next-generation technology and removed the need for the City to build and operate its own collector network.

This Amendment #2 is a no-cost amendment with a few contractual changes to facilitate the compressed schedule and allow the project to start with approximately 10,000 early residential meter exchanges. Itron will begin installing meters without transmitters, similar to the commercial installations completed in 2020. Installing these 10,000 meters early will aid in meeting our schedule.

Schedule Impacts

COVID-19 presented a challenge to production of the transmitters only. The revised installation schedule incorporates a six month late start, but keeps the end date near mid 2022. Itron laboratory and production facilities have experienced intermittent disruptions, which in turn has affected Itron’s ability to procure cellular transmitters. To keep the project on schedule, the start date for transmitter installations is sliding by approximately six months, however staff has developed a strategy to compress our installation schedule and keep the end date near mid-2022 as envisioned in Amendment

#1.

POLICY & FISCAL IMPACTS

Policy Impact

Bellevue City Code 4.28 provides for the fair and equitable treatment of all persons involved in the purchasing process. Council approval is required to award the purchase contract where the cost exceeds \$90,000.

City Council Vision Priorities 2018-20

3-Year Priorities: Identify and implement technologies that improve customer service with the City of Bellevue.

Council's vision for 2018-20 includes high performance government. The AMI project exemplifies doing business with cutting-edge technology to support the delivery of high-quality customer service.

Comprehensive Plan Policies

The following Comprehensive Plan policy (or policies) support the proposed contract amendment:

- UT-1 Manage utility systems effectively in order to provide reliable, sustainable, quality service.
- UT-5 Encourage new and cost-effective emerging information and telecommunications technologies that would benefit city utility users and improve utility service and efficient water and energy use.

Fiscal Impact

The proposed amendment adds no additional costs to the contract value.

OPTIONS

1. Adopt the Resolution authorizing a second amendment to a contract with Itron, Inc., for equipment and services in the development and implementation of an Advanced Metering Infrastructure (AMI) system, in order to revise the original installation schedule to accommodate cellular communication hardware availability.
2. Do not adopt the Resolution and provide alternative direction to staff.

ATTACHMENTS & AVAILABLE DOCUMENTS

Proposed Resolution No. 9900

AVAILABLE IN COUNCIL LIBRARY

Contract Amendment