



Town of Newmarket
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Water Metering Data Solution Staff Report to Council

Report Number: 2020-63

Department(s): Financial Services, Corporate Services

Author(s): Mike Mayes, Director of Financial Services / Treasurer

Meeting Date: August 24, 2020

Recommendations

1. That the report entitled Metering Data Solution dated August 24, 2020 be received; and,
2. That a non-competitive acquisition for a metering data solution from Savage Data Systems in the amount of \$60,000.00 per year, for a term of two years, plus two additional optional, one year terms be approved; and,
3. That the Director of Financial Services and Manager of Procurement be authorized to execute any agreements; and,
4. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

Purpose

To seek approval of a non-competitive acquisition for Meter Data Management Services to Savage Data Systems for an estimated annual amount of \$60,000.00 excluding applicable taxes for a period of two years, plus two additional, optional one year terms should they be needed, in accordance with provisions of the Procurement By-law Section 13.6, Subsection (iii) “where compatibility with an existing product, equipment, facility or service is a paramount consideration”; and the provisions of the Canadian Free Trade Agreement (CFTA) for non-competitive acquisitions over \$100,000.00 being Article 513, Paragraph (1), Section (c) “for additional deliveries by the original supplier of goods or services that were not included in the initial procurement if a change of supplier for such additional goods or services: (i) cannot be made for economic or technical reasons such as requirements of interchangeability or interoperability with existing equipment, software,

services or installations procured under the initial procurement; and (ii) would cause significant inconvenience or substantial duplication of costs for the procuring entity.”

Background

The Town is upgrading water meters to advanced metering technology. The Town issued a request for proposal on March 31, 2017 (RFP2017-02) for advanced metering infrastructure, field installation services and operation of the advanced metering infrastructure, including data collection activities.

The Town signed a service agreement with the successful respondent for installation services, being WAMCO Municipal Products A Division of EMCO Corporation, on May 16, 2019. The contract will expire in On May 15, 2022, three years after the commencement of the term.

For the new metering technology to be able to communicate its data, the Town requires a meter data management service. Meter data management services transfer the data collected from water meters to our billing system. The service also validates data and stores data for a longer period of time than the advanced metering technology can.

Discussion

The Town and Newmarket-Tay Power Distribution have a joint billing service for water and hydro. The billing software is managed by Olameter who is under contract with the Town. Olameter currently only uses Savage Data Systems to connect to Newmarket Hydro’s advanced metering technology. In order for the Town’s metering data to be transferred to the billing software, the Town would need to implement the solution from Savage Data Systems as well. Olameter is not agreeable to implementing another solution specifically for the Town. If they were, Olameter would either have to acquire that same solution for their other clients or work with the Town to create new systems to accommodate both the Town’s competitively acquired solution and the Savage Data System solution. This could prove to be costly and problematic from a data transfer standpoint.

The Town originally planned on piggy-backing on Newmarket-Tay Power Distribution’s agreement with Savage Data Solutions. However, this is no longer a solution available to us from Newmarket-Tay Power. The Town requires a meter data management service to move forward with field installations.

While Olameter is not agreeable to implementing a different meter data management system, from a competitive costing standpoint, there appears to be one other meter data solution provider being MeterSense by Smartworks which provides for meter data services at the following approximate costs: \$150,000.00 for implementation, plus \$75,000.00 for the purchase of the required number of licences with an additional 25% of the licence fee amount for ongoing support and maintenance. Alternatively, MeterSense

offers a subscription model for about 0.25 to 0.30 cents per meter per month, which equates to \$78,000.00 to \$93,600.00 per year based on 26,000 meters. MeterSense advised that their fees are generally higher than the solution offered by Savage Data Systems as they offer more sophisticated analytics.

Conclusion

In accordance with the non-competitive justifications in the Town's Procurement By-law and the applicable trade treaties described herein that provide for direction as to procurements in excess of \$100K it would cause significant inconveniences and duplication of costs to enter into a procurement process that may not result in an award to Savage Data Systems, the only solution Olameter is agreeable to our using.

Staff are confident that Savage Data Systems has the experience, capability and equipment to satisfactorily perform the contract.

Business Plan and Strategic Plan Linkages

Newmarket's vision of a community "Well Beyond the Ordinary" is one that provides efficient, effective and environmentally sound services to an appropriate level that achieves Council and/or Provincially mandated services levels, which meet public health and safety requirements and enhances quality of life while ensuring that system capital assets retain their value and are managed and funded according to sustainable, lifecycle based principles and practices.

This service acquisition aligns with Council's 2018-2022 Strategic Priorities of Long-term Financial Sustainability and Environmental Stewardship as the MDM service will help us better track water data. This data will help us save money and conserve water.

Consultation

Procurement Services, Financial Services, Information Technology and Public Works Services have been consulted on this report.

Human Resource Considerations

All project work will be managed by Savage Data Systems and the Town's Finance Services staff. No additional human resources are required.

Budget Impact

There is no budget impact as it is already included in the business plan.

Attachments

None

Approval

Tracy Assis
Manager of Procurement
Legal & Procurement Services

Mike Mayes CPA, CGA, DPA
Director, Financial Services/Treasurer

Contact

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