

## AGENDA



Thursday, June 18, 2009

**Purchasing Office  
RECOMMENDATION FOR COUNCIL ACTION****Item No. 34**

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**Subject:** Authorize award and execution of Amendment No. 3 to a requirements service contract with TEXAS METER & DEVICE CO., LLC, Waco, TX, for replacing existing electrical meters to increase the current contract in an estimated amount not to exceed \$750,000, for a revised total estimated contract amount not to exceed \$4,008,000.

**Amount and Source of Funding:** Funding in the amount of \$750,000 is available in the Fiscal Year 2008-2009 Capital Budget of Austin Energy.

**Fiscal Note:** A fiscal note is attached.

**For More Information:** Terry Nicholson, Senior Buyer, 322-6586

**Purchasing Language:** Contract Amendment.

**MBE/WBE:** This contract will be awarded in compliance with Chapter 2-9D of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.

**Boards and Commission Action:** Recommended by the Electric Utility Commission.

**Prior Council Action:** January 31, 2008 - Approved original contract.

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In April 2008, an 18-month service contract was executed with Texas Meter & Device Co. to provide skilled labor required to replace existing electrical meters with new Automated Meter-Reading and Advanced Metering-Infrastructure (AMR/AMI) meters for Austin Energy customers. Meter replacements are taking place throughout the entire Austin Energy service area for single and multi family residences, as well as commercial and industrial customers. The AMR/AMI network facilitates collection and distribution of metering information to customers and Austin Energy. The new metering systems support demand response, time of use, critical pricing, and other advanced functions aimed at improving customer service and maximizing operations.

Initially, the labor requirements were determined based on the total number of meters being replaced. There are three types of meters: Single Phase, Three-Phase Self-Contained, and Single and Three-Phase CT-Rated meters. Under the contract, each type of meter has a different price based on the actual time and skill needed to complete the meter exchange, and the ability of the contractor to access the customer's meter.

The proposed contract amendment is to provide additional funds necessary to complete Austin Energy's meter replacement project. This need arises from three specific factors: 1) During the course of the meter exchange process, Austin Energy discovered that a large number of return visits were required, at no fault of the installation contractor. Typical reasons for return visits were locked gates, aggressive dogs, blocked meters, damaged meter bases or wiring, and/or theft of service. While the contractor proved to expend substantial effort to make the exchange on the first visit, subsequent visits were required to complete the installation. Additional partial payments were allowed in accordance with the contract to

capture these unanticipated occurrences. 2) While meter inventories and locations are tracked by Austin Energy, the quantity of meters exchanged was based on the current rate structure of active and inactive accounts. In order to install new meters that could provide advanced metering capabilities, a replacement with a meter type of a higher cost and exchange rate than anticipated in 2008 are required. 3) Due to system growth and demographic change, more meters with higher costs and exchange rates were required.