



TM

**CITY OF LODI
COUNCIL COMMUNICATION**

AGENDA TITLE: Accept Improvements Under Contract for Fixed Network Project

MEETING DATE: April 16, 2014

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Accept improvements under contract for Fixed Network Project.

BACKGROUND INFORMATION: The contract was awarded to various vendors including Itron, Inc., Dell Marketing, LLP, General Pacific, Inc., Vertex Business Services Holdings, LLC, and RuggedCom in the amount of \$890,633 on June 1, 2011, October 5, 2011 and August 15, 2012. The contract work has been completed.

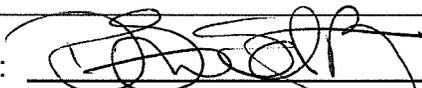
This project included the design and installation of hardware, software, collectors and repeaters, all a part of the fixed network automated meter reading system for the Electric and Water utilities. The final costs for the project are summarized in the table below.

Fixed Network Final Project Cost	
Design and Installation (Itron)	\$245,383
Software (Itron)	\$45,000
Software (Vertex)	\$115,760
Hardware	\$174,878
Radio Backhaul	\$39,863
Fiber Optic Upgrade	\$50,100
Water Meter ERT Upgrade	\$100,465
Credit (From Past Contract)	(\$40,200)
Credit (Itron Misdirection to Vertex)	(\$10,500)
TOTAL	\$720,749

In the initial contract and through the course of the project, two credits were negotiated with Itron. The \$40,200 credit was offered to resolve a lingering dispute from a past Electric Utility contract. The second credit was offered to offset some of the additional costs associated with Vertex reprogramming the Customer Information System (CIS).

The contract completion date was March 31, 2013. There was a delay in bringing the project to Council for acceptance while negotiations proceeded with Itron regarding additional expenses incurred by the City during the course of the project. A fair resolution with Itron was reached by virtue of Itron offering a \$12 discount on future purchases of 6,370 water meter ERTs amounting to \$76,440. The final contract price was \$720,749 while the project budget was \$472,000. The difference between the budget amount and the final contract price is due to costs associated with changing 1,000 60-watt ERTs to 100-watt ERTs, programming changes to the CIS, purchasing radio backhaul equipment and upgrading the City's fiber optic data facilities.

APPROVED:



 Stephen Schwabauer, Interim City Manager

Accept Improvements Under Contract for Fixed Network Project

April 16, 2014

Page 2

FISCAL IMPACT: Personnel annual cost savings of \$75,000 to the City and additional potential savings to customers from early detection of unusual usage patterns resulting in higher utility bills.

FUNDING AVAILABLE: This project was funded by the Water and Electric utilities.



F. Wally Sardelin
Public Works Director

FWS/pmf

cc: Director – Electric Utility
Deputy Public Works Director – Utilities