



**DATE:** June 20, 2023

**TO:** Mayor and City Council

**FROM:** Director of Public Works

**SUBJECT:** Adopt a Resolution Authorizing the City Manager to Enter Into a Contract with Aclara Technologies LLC for Sole Source Purchase of AclaraONE Software Upgrade Services for the Advanced Metering Infrastructure (AMI) Implementation Project for a Period of Three Years with Two, One-Year Options to Extend in an Amount Not-To-Exceed \$416,400

## **RECOMMENDATION**

That Council adopts a resolution (Attachment II) authorizing City Manager to negotiate and execute an agreement and sole source purchase with AclaraONE software upgrade services for the AMI Implementation Project for a period of three years with two one-year options to extend in an amount not-to-exceed (NTE) \$416,400.

## **SUMMARY**

All 36,000 water meters in the Hayward Water System are equipped with Advanced Metering Infrastructure (AMI) technology, which transmits meter reads to an online internal-facing portal. This internal-facing portal is provided by Aclara Technologies LLC (Aclara) and allows City staff to view and manage City-wide consumption data. Aclara is phasing out the current iteration of this software, STAR Network Control Computer (NCC), and requiring their Utility customers, including the City of Hayward, to upgrade to their new software, AclaraONE. AclaraONE will provide improved functionality including increased ease of navigation for staff, new GIS features, and improved reporting functionality, among other added features. Staff are seeking authorization to implement the required software upgrade. Staff seeks a three-year contract, with options to extend up to two additional years, in an amount NTE \$416,400.

## **BACKGROUND**

In 2018, the City completed the replacement of approximately 36,000 manual water meters with new AMI meters that can be read remotely. Staff are currently able to access the AMI-generated meter reads via basic internal-facing software called STAR NCC, which is provided by Aclara, the vendor the City contracted with in 2016 to deploy the AMI system. Aclara has notified the City that they are phasing out the current iteration of their internal-facing data management software, STAR NCC, and that their Utility customers, including the City, are required to upgrade to the new iteration known as AclaraONE.

## DISCUSSION

The City pays an annual licensing fee to Aclara to access the STAR NCC software system and view electronic reads of the City’s AMI meters. Aclara is phasing out the STAR NCC system and requiring all Utility customers to upgrade from STAR NCC to the AclaraONE software solution to continue services. The AclaraONE software will provide improved functionality when compared to the current STAR NCC system by providing increased ease of navigation for City staff, new GIS features, and improved reporting functionality, among other added features. The software upgrade, quoted at approximately \$126,400 in first-year fees, will involve integrating all customer data to the new system, the retention of five full years of meter read data, and the first-year licensing fee. The licensing fee will have an additional annual impact in future years that is further discussed in the Fiscal Impact section of this report.

## ECONOMIC IMPACT

Upgrading the internal-facing software to AclaraONE will provide staff the ability to make better use of system-wide water data through increased reporting and GIS functionality. These features will improve the City’s overall customer service capabilities and facilitate more strategic and proactive water conservation.

## FISCAL IMPACT

The AMI Conversion Project No. 07025 in the Water Replacement Fund (Fund 603) has sufficient funds to cover the initial upgrade costs from STAR NCC to AclaraONE. Costs beyond those in the first year will be funded by the Water Operating Fund (Fund 605), which is currently supporting the annual STAR NCC licensing fees. The annual software license fee will be approximately \$64,000 in Year 1 and increase by five percent each subsequent year. The annual Operating Budget impact of AclaraONE in Years 2 and 3 will be approximately \$76,000 higher than that of the STAR NCC System.

|   | <b>CIP Fund 603,</b>     |                               |                               |   |   |
|---|--------------------------|-------------------------------|-------------------------------|---|---|
|   | <b>Project<br/>07025</b> | <b>Operating<br/>Fund 605</b> | <b>Operating<br/>Fund 605</b> | <b>Operating<br/>Fund 605<br/>Year 4<br/>Est.</b> | <b>Operating<br/>Fund 605<br/>Year 5<br/>Est.</b> |
|   | <b>Year 1</b>            | <b>Year 2 Est.</b>            | <b>Year 3 Est.</b>            | <b>Year 4<br/>Est.</b>                            | <b>Year 5<br/>Est.</b>                            |
| <b>AclaraONE<br/>Implementation</b>         | \$52,000                 | n/a                           | n/a                           | n/a   | n/a   |
| <b>20%<br/>Contingency</b>                  | \$10,400                 | n/a                           | n/a                           | n/a   | n/a   |
| <b>Software<br/>Licensing Fee</b>           | \$64,000                 | \$67,000*                     | \$71,000*                     | \$74,000*   | \$78,000*   |
| <b>Annual total**</b>                       | \$126,400                | \$67,000                      | \$71,000                      | \$74,000  | \$78,000  |
| <b>Total Cost Over<br/>First Five Years</b> |                          |                               |                               |   | <b>\$416,400</b>                                  |

\*Includes 5% annual escalator, rounded to the nearest thousandth

\*\*Contract to include two one-year options beyond Year 3.

## **STRATEGIC ROADMAP**

This agenda item supports the Strategic Priority of Invest in Infrastructure. Specifically, this item relates to the implementation of the following project:

- Invest in Water Supplies, Sanitation Infrastructure & Storm Sewers
- Project N18: Upgrade water system infrastructure.

## **SUSTAINABILITY FEATURES**

AMI promotes efficient water use and water conservation. The water consumption data provided by AMI technology aids in the City's efforts to measure the overall effectiveness of targeted conservation initiatives and inform customers about potential leaks or high consumption.

## **PUBLIC CONTACT**

There is no public contact required to perform this upgrade.

## **NEXT STEPS**

If approved, staff will work with Aclara to sign the contract and implement the required upgrade to the AclaraONE internal-facing AMI software for an amount NTE \$416,400.

*Prepared by:* Sharon Hu, Management Analyst

*Recommended by:* Alex Ameri, Director of Public Works

Approved by:



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Kelly McAdoo, City Manager