



DATE: May 18, 2021

TO: Mayor and City Council

FROM: Director of Public Works

SUBJECT Adopt a Resolution Authorizing the City Manager to Execute a Professional Services Agreement (PSA) with WaterSmart Software, Inc. for the Implementation of an Advanced Metering Infrastructure (AMI) Customer Portal, including Deploying the Services and Hosting the System for Three Years, in an Amount Not-to-Exceed \$273,165

### **RECOMMENDATION**

That Council adopts the attached resolution (Attachment II) authorizing the City Manager to negotiate and execute a Professional Services Agreement (PSA) with WaterSmart Software, Inc., in an amount not-to-exceed \$273,165 for Advanced Metering Infrastructure (AMI) Customer Portal Project No. 07125.

### **SUMMARY**

Advanced Metering Infrastructure (AMI) technology, which was recently installed at every water meter location in the City, transmits periodic meter reads to a Utility over a fixed network, enabling the Utility to view and manage its City-wide consumption data from an internal-facing software provided by the AMI vendor. This consumption data and other useful features, like leak alerting and bill presentation, can then be provided to the customers of a Utility via the implementation of a separate software hosted by an online customer portal vendor.

Staff has spent the past year working to identify the most capable vendor with which to implement an online customer portal for the City's approximately 36,000 customers. This will allow customers to take greater control of their water consumption by having on-demand access to their water use metrics, estimated water spending at any point in a billing period, and prompt leak notification, among other features. Staff hosted a four-month Pilot Program involving approximately 100 pilot customers to test two different vendors' customer portal platforms, including "AquaHawk" (a product developed by American Conservation & Billing Solutions, Inc.) and "WaterSmart" (a product developed by WaterSmart Software, Inc.). Based on the feedback of the Pilot participants, staff recommends that the City proceed with WaterSmart for City-wide implementation, and requests Council's authorization to negotiate a PSA with the vendor in an amount not-to-exceed \$273,165.

## **BACKGROUND**

In 2018, the City completed the replacement of its approximately 36,000 manual read water meters with new AMI meters. Staff are currently able to access the AMI-generated meter reads via basic internal-facing software, which is provided by Aclara, the vendor the City contracted with in 2016 to deploy the AMI system. However, providing customers access to the consumption metrics and other information associated with their account requires the development of a separate online customer engagement portal. To make the most informed decision regarding which customer-facing online portal platform to implement for City-wide implementation, the City piloted two platforms from October 2020 to February 2021 with a group of approximately 100 customer volunteers. The two piloted platforms, which were selected via a competitive Request for Proposals (RFP) process, included AquaHawk and WaterSmart.

Both customer portal platforms are in use by neighboring Bay Area agencies. Notably, AquaHawk is in use by Dublin San Ramon Services District (DSRSD), and WaterSmart is in use by East Bay Municipal Utilities District (EBMUD), Coastside County Water District, the Town of Hillsborough, and the City of Morgan Hill, among others. Additional details regarding the RFP process and vendor selection can be found in the report delivered during the CSC meeting on March 9, 2020<sup>1</sup>.

## **DISCUSSION**

The water customer portal, once fully implemented, will provide customers greater control over their water consumption, as they will have on-demand access to their water use metrics, estimated water spending at any point in a billing period, and prompt leak notification. By providing customers these tools, the portal will also likely aid the community in achieving greater water conservation over time. To best empower customers and achieve City-wide water conservation, the platform will need to be adopted and regularly used by as many customers as possible. To ensure maximum customer engagement, it is critical that the selected platform be easy to register for, easy to navigate, easy to understand, adequately informative, and must provide a generally-pleasing customer experience every time a customer logs in. For this reason, staff implemented a Pilot program to test two different customer portals to determine which one, if either, to recommend for City-wide implementation.

After a period of implementation to integrate both Pilot portals with City-wide data, the platforms were made available to Pilot customers from October 30, 2020 to February 25, 2021, during which time a series of survey questions were distributed to participants. The questions were designed to determine which portal best met the following criteria: Ease-of-Registration, Ease-of-Use, Clarity of Information Presented, and Look and Feel.

On a scale of one to five, with five being the highest, only 47% of responsive Pilot participants indicated that AquaHawk had a clarity level of four or five. Similarly, only 41%

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<sup>1</sup> <https://hayward.legistar.com/LegislationDetail.aspx?ID=4389832&GUID=F46CB11A-247F-400F-AE74-907A02B58D6C&Options=&Search=>

rated AquaHawk’s ease of use as a four or five. In other words, the majority of respondents indicated AquaHawk’s clarity and ease-of-use as a three or lower. In contrast, 88% of responsive participants rated WaterSmart’s clarity as a four or five, and 91% rated WaterSmart’s ease-of-use as a four or five. When asked about preference of look and feel between the two platforms, 82% indicated a preference for WaterSmart, while only 18% indicated a preference for AquaHawk.

Finally, when directly asked to indicate their preference between the two platforms, 73% of respondents indicated that they would prefer that the City proceed with WaterSmart, while 15% indicated a preference for AquaHawk, and 12% indicated that they have no preference between the two.

Based on participant’s clear preference for WaterSmart, staff recommended to the Council Sustainability Committee (CSC) during their March 8, 2021<sup>2</sup> meeting that the City proceed with WaterSmart. The CSC approved staff’s recommendation. More details regarding the Pilot results can be found in the report delivered during the March 8 CSC meeting.

### **ECONOMIC IMPACT**

The customer portal, once fully implemented, will provide customers greater control over their water consumption, as they will have on-demand access to their water use metrics, their estimated water spending at any point in a billing period, and prompt leak notification, which will result in reduced water loss. As such, the Portal will also likely aid the community in achieving greater water conservation over time.

### **FISCAL IMPACT**

The Pilot Program to select a recommended customer portal vendor for City-wide implementation was funded by AMI Conversion Project No. 07025 in Water Replacement Fund 603. As shown in the table below, the total cost to implement the Pilot Program was approximately \$50,000.

AquaHawk Pilot Program	\$20,000
WaterSmart Pilot Program	\$17,500
WaterSmart Bridge Services <sup>3</sup>	\$833
Aclara Integration of AMI Data	\$12,000
<b>Total</b>	<b>\$50,333</b>

If authorized by Council, WaterSmart’s services to launch and host the City-wide customer portal would be funded by City-wide AMI Customer Portal Project No. 07125, also in the Water Replacement Fund. The table below reflects the total not-to-exceed amount to implement the City-wide portal over a three-year period.

<sup>2</sup> <https://hayward.legistar.com/LegislationDetail.aspx?ID=4816829&GUID=09108CFF-23E6-4179-8AD1-5A0C4732D469&Options=&Search=>

<sup>3</sup> This additional \$833 covers WaterSmart’s provision of continued platform hosting services between the end of the Pilot and the beginning of the City-wide implementation contract term, pending Council’s authorization. This amount may increase depending on the length of time required to negotiate and execute the agreement.

	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
Platform Hosting Services	\$62,900	\$65,120	\$67,340
Single Sign On (SSO) Payment Integration	\$5,500	\$5,565	\$5,835
Print Leak Alerts	\$4,500	\$4,635	\$4,770
Print Customer Welcome Letters	\$37,000	n/a	n/a
Contingency	\$10,000	n/a	n/a
<b>Annual total</b>	<b>\$119,900</b>	<b>\$75,320</b>	<b>\$77,945</b>

**Total not-to-exceed amount over three years \$273,165**

It is important to note that integrating SSO payment options within the WaterSmart platform, referenced as line two in the above table, will first require negotiating and executing an agreement with a third party vendor specializing in the provision of these services. SSO payment refers to the ability for customers to pay their water bills within the WaterSmart platform, as opposed to being redirected to the Hayward Self Service (HSS) system in order to pay their bills, which requires signing in to a separate system. Feedback from the Pilot participants revealed that a single sign on payment option within the customer portal platform is highly desired. Staff are currently investigating the feasibility of implementing SSO payment options within the platform and associated costs. Staff may be returning to Council for authorization to enter into an agreement with a recommended SSO payment vendor depending on the findings of this investigation.

**STRATEGIC ROADMAP**

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

Project 13, Part 13.a: Develop and launch Advanced Metering Infrastructure (AMI) customer portal.

**SUSTAINABILITY FEATURES**

The AMI Customer Portal and larger AMI Project promote efficient water use and water conservation. The water consumption data provided by AMI technology will aid in the City’s efforts to measure the overall effectiveness of targeted conservation initiatives. This information will also be used to inform customers about potential leaks or overly high consumption.

**PUBLIC CONTACT**

During Spring 2020, staff sought approximately 100 Pilot customer volunteers via a number of methods, including posts in social media, the City’s environmental newsletter, The Leaflet, and physical handouts, as well as letters to targeted groups like those who have recently received a leak notification letter. Staff also regularly engaged with the Pilot Customers for the duration of the four-month Pilot from October 2020 to February 2021.

## **NEXT STEPS**

If approved, staff will complete negotiations with WaterSmart to execute a PSA to implement and host the City-wide customer portal.

*Prepared by:* Kait Byrne, Management Analyst

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

Approved by:

A handwritten signature in black ink, appearing to read 'Kelly McAdoo', written in a cursive style.

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Kelly McAdoo, City Manager