



Detroit Water and Sewerage Department
Board of Water Commissioners
735 Randolph Street, Detroit, MI 48226
313-224-4704 • detroitmi.gov/DWSD

Agenda of July 17, 2024

Item No. 2024-126

Proposed Amendment No. 1

Contract No.: 2856616

Contractor: Itron, Inc.

Address: 2111 N Molter Rd., Liberty Lake, WA 99019

Initial Contract Amount: \$522,500.00

Proposed Amendment No. 1 Amount: \$522,500.00

Proposed New Total Contract Amount: \$1,045,000.00

Contract Term: 12/15/11 – 12/31/99

TO: The Honorable
Board of Water Commissioners
City of Detroit, Michigan

FROM: Gary Brown, Director
Detroit Water and Sewerage Department

RE: Proposed Amendment No. 1 to Contract No. 2856616
To add funds to the contract to provide support for Open Way Riva Devices
Itron, Inc.

MOTION

Upon recommendation of Marqicha Welch, Procurement Manager, the Board of Water Commissioners for the City of Detroit, Water and Sewerage Department, authorizes the Director to **approve Amendment No. 1 for DWSD Contract No. 2856616 with Itron, Inc. to provide equipment for Open Way Riva Devices; by adding \$522,500.00, for an amended total contract amount not-to-exceed \$1,045,000.00.** This also authorizes the Director to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND & JUSTIFICATION

DWSD's (pre-bifurcation) contract CM-2007 implemented the Itron, Inc. (Itron) fixed-base retail Automated Meter Reading (AMR) system, commercially known as Water SaveSource™, to automatically collect the water meter reads from DWSD's retail customers. Beginning December 2007, the Water SaveSource™ system began its production, which required Customers to have

properly functioning meter reading equipment to maintain water service at their residence.

In March 2017, Itron notified DWSD that due to on-going changes in reading automation system technologies market it would no longer manufacture the component parts of the Water Save Source system technology, which DWSD had purchased in 2006. Further, Itron no longer had parts in inventory for modules and collector units needed to maintain the existing system for the expected and warranted 20-year useful life of the system. There was no substitute product compatible with the existing collection network and software system.

In April 2017, DWSD weighed its legal and operational options and opted to negotiate a new contract with Itron, which would take advantage of the current relationship, leverage warranty provisions of the initial Agreement and obtain the latest reading technology improvements at favorable terms.

By March 2020, DWSD and Itron reached an agreement to replace the Water SaveSource System with the OpenWay Riva system, which the Board approved April 2020, issuing a Notice to Proceed September 29, 2020.

In October 2020, Itron notified DWSD that due to additional market changes in reading automation technologies, Itron had recently made a business decision to shift its technology platform investment support away from the previously agreed to OpenWay Riva point-to-multi- point collection network technology¹ to either a mesh network² or cellular collection solution. Itron noted that it could provide the Riva, mesh network or the cellular option. DWSD investigated the mesh network and cellular option and determined that the cellular approach would provide the longest and most technologically stable solution to DWSD's current and future reading automation needs.

Proposed Amendment No. 1 is for funding to provide meter reading equipment for the continued maintenance and support of DWSD's strategic efforts to monitor water usage and ensure the accuracy of billing.

PROCUREMENT METHOD

This contract was created pre-bifurcation. It was approved by the BOWC 11/30/2011.

Proposed Amendment 1 was submitted through requisition 520767, which was approved by Budget on 6/6/24. This Amendment requests adding \$522,500 in funding. There will be no change in scope or terms and conditions.

Itron’s clearances expire 6/13/25. A formal amended contract document has been sent to the vendor for signature.

SUMMARY

- A. Contract No.: 2856616
- B. Initial Contract Amount: \$522,500.00
- C. Proposed Amendment No. 1 Amount: \$522,500.00
- D. Proposed New Total Contract Amount: \$1,045,000.00
- E. Contract Term: 12/15/11 – 12/31/99
- F. Funding Source: O&M Funds
- G. GL String(s):

5721.20244.487711.645220.003461.30129.0000.000000. 50% Water

5821.20243.497711.645220.003461.30129.0000.000000. 50% Sewer

- H. Projected Fiscal Year (FY) Contract Expenditures:
FY 24/25: \$522,500.00

This proposed amendment was presented to the DWSD Finance Sub Committee on July 8, 2024. Per the DWSD Procurement Policy, and past precedence, no further approvals are required.