



# Detroit Water and Sewerage Department

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## Legislation Details (With Text)

**File #:** 2024-126      **Version:** 1      **Name:**

**Type:** Contract Amendment      **Status:** Passed

**In control:** Financial Services

**On agenda:** 7/17/2024      **Final action:** 7/17/2024

**Title:** 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.

**Indexes:** Board of Water Commissioners, Finance Committee

**Code sections:**

**Attachments:**

Date	Ver.	Action By	Action	Result
7/17/2024	1	Board of Water Commissioners		
7/8/2024	1	Finance Committee	recommended for approval	Pass

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.

### 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 Marqaiha 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 technology<sup>1</sup> to either a mesh network<sup>2</sup> 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.