



# Detroit Water and Sewerage Department

735 Randolph Street  
Detroit, Michigan 48226  
(313) 224-4704 Office  
dwsd.legistar.com

## Legislation Text

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**File #:** 2024-104, **Version:** 1

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The Board of Water Commissioners for the City of Detroit, Water and Sewerage Department authorizes the Director to **approve Amendment No. 2 for DWSD Contract No. 6001658 (PC-803B) with LGC Global, Inc. to provide assistance with Automatic Meter Reading Installation and Related Work; by adding \$240,000.00, for an amended total contract amount not-to-exceed \$2,124,998.00 and extending the term 6 months for a new term ending 12/31/24.** This also authorizes the Director to take such other action as may be necessary to accomplish the intent of this vote.

**Agenda of June 18, 2024**

**Item No. 2024-104**

**Proposed Amendment No. 2**

**Contract No.: 6001658 (PC-803B)**

**Contractor: LGC Global, Inc.**

**Address: 7310 Woodward Avenue, Suite 500, Detroit, MI 48202**

**Initial Contract Amount: \$1,884,998.00**

**Proposed Amendment No. 2 Amount: \$240,000.00**

**Proposed New Total Contract Amount: \$2,124,998.00**

**Initial Contract Term: 4/8/19 - 4/8/22**

**Amendment No. 1 Extension: 4/9/22 - 6/30/24**

**Proposed Amendment No. 2 Extension: 7/1/24 - 12/31/24**

**Proposed New Contract Term: 4/8/19 - 12/31/24**

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

**FROM:** Gary Brown, Director  
Detroit Water and Sewerage Department

**RE:** Proposed Amendment No. 2 to Contract No. 6001658 (PC-803B)  
To add funds and time to the contract to continued assistance with Automatic Meter Reading  
Installation and Related Work  
LGC Global, Inc.

## MOTION

Upon recommendation of Marqaiicha Welch, Procurement Manager, the Board of Water Commissioners for the

City of Detroit, Water and Sewerage Department, authorizes the Director to **approve Amendment No. 2 for DWSD Contract No. 6001658 (PC-803B) with LGC Global, Inc. to provide assistance with Automatic Meter Reading Installation and Related Work; by adding \$240,000.00, for an amended total contract amount not-to-exceed \$2,124,998.00 and extending the term 6 months for a new term ending 12/31/24.** This also authorizes the Director to take such other action as may be necessary to accomplish the intent of this vote.

## **BACKGROUND & JUSTIFICATION**

This contract corrects DWSD automatic meter reading (AMR) System exceptions by exchanging, maintaining, and repairing water meters and MIUs throughout the City of Detroit without disrupting or falling below the industry standard of offering meter appointments in five (5) days or less. Correcting the exceptions and inaccuracies allows DWSD to provide its customers with accurate and detailed billing statements versus estimates. Keeping the standard five (5) day rule for customer appointments demonstrate DWSDs commitment to customer satisfaction. DWSD Field Services relies heavily upon this contract to perform customer requested service interruptions as well as addressing vacant flooding structures. Demand for corrective maintenance and related work cannot be met with the existing staff due to the volume of work that exists.

Due to high number of work orders for burst plumbing fixtures and DWSD Field Service's limited resources and staff available to address the current workload, Meter Operations is requesting to extend the term from 4/8/22 to 6/30/24 to provide customers with properly functioning meter reading equipment to maintain water service at their residence.

There are significant funds available in this contract and we will not come close to expending the entire contract amount even with a two-year time extension. In the spirit of cooperation, we believe it is reasonable to extend the time since DWSD changed the approach towards residential service interruptions, thereby reducing the contractor's ability to execute the contract in alignment with expectations at bid time.

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. With the AMR system providing actual meter reads, errors or exceptions can still occur with this system due in part to customer tampering, equipment failure and/or occasional network system problems. However, when an error is detected, Customers will receive estimates versus an actual bill until the error is corrected by Meter Operations personnel.

## **PROCUREMENT METHOD**

This open competitive project was advertised on MITN/BidNet from 12/7/18 - 12/21/18 (14 calendar days). This contract was approved by the BOWC on 1/16/19 with a term of 3 years and a total NTE of \$1,884,998. The contract was also approved by the Mayor 2/1/19.

Amendment 1 was a request to extend the term from 04/08/2022 to 6/30/2024 (by 2 years and 2 month) at the same pricing, scope, terms, and conditions as the initial contract. Approval granted through a signed Executive Letter.

Proposed Amendment 2 was submitted through requisition 520208, which was approved by Budget on 5/15/24. This Amendment requests to extend time through 12/31/24 (6 months) and adding \$240,000 in funding. There will be no change in scope or terms and conditions. A new solicitation for this service will be posted prior to the expiration of this contract.

LGC's clearances expire 12/6/24. A formal amended contract document has been sent to the vendor for signature. Per DWSD procurement protocol, and past precedence, no further approvals are required.

## SUMMARY

A. Contract No.:	6001658 (PC-803B)
B. Initial Contract Amount:	\$1,884,998.00
C. Proposed Amendment No. 2 Amount:	\$240,000.00
D. Proposed New Total Contract Amount:	\$2,124,998.00
E. Initial Contract Term:	04/08/19 - 04/08/22 (3 years)
F. Amendment No. 1 Extension:	04/09/22 - 06/30/24 (2 years & 2 months)
G. Proposed Amendment No. 2 Extension:	07/01/24 - 12/31/24 (6 months)
H. Proposed New Contract Term:	04/08/19 - 12/31/24
I. Funding Source:	O&M Funds
J. GL String(s):	
	5720-20168-483301-622302-000205-10790-0000-000000 - 38.2% Water
	5820-20179-493301-622302-000226-15805-0000-000000 - 61.8 % Sewer
K. Projected Fiscal Year (FY) Contract Expenditures:	
	FY 24/25: \$240,000.00

This proposed amendment was presented to the DWSD Finance Sub Committee on June 5, 2024. Per the DWSD Procurement Policy, and past precedence, no further approvals are required.