



Detroit Water and Sewerage Department

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Legislation Text

File #: 2023-85, Version: 1

The Board of Water Commissioners for the City of Detroit, Water and Sewerage Department authorizes the Director to **approve DWSD Single Source Contract 6005214 with Systems and Software, Inc., to implement Average Winter Consumption based rates, for a total not-to-exceed amount of \$250,000 and a term of one year.** This also authorizes the Director to take such other action as may be necessary to accomplish the intent of this vote.

Agenda of April 19, 2023

Item No.: 2023-85

Contract No.: 6005214

Contractor: Systems and Software, Inc.

Contractors Address: 10 E Allen St Ste 201, Winooski, VT 05404

Proposed Contract Amount: \$250,000

Proposed Contract Term: 4/19/23 - 4/18/24 (1 year)

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

FROM: Gary Brown, Director
Water and Sewerage Department

RE: Proposed Contract 6005214
Average Winter Consumption Rates
Systems and Software, 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 DWSD Single Source Contract 6005214 with Systems and Software, Inc., to implement Average Winter Consumption based rates, for a total not-to-exceed amount of \$250,000 and a term of one year.** This also authorizes the Director to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND / JUSTIFICATION

In 2022, DWSD completed a rate study with Stantec Consulting. One recommendation from that rate study was to implement Average Winter Consumption based rates. Average Winter Consumption (AWC) is a rate structure that uses average water usage over a defined period of low consumption during winter months to determine the amount of outdoor water used during the summer months that is directed to the sewer system. The lower amount of a customer's average winter consumption is then billed as sewer usage throughout the year. This is a common rate model used by water utilities throughout the country to avoid billing customers sewer usage for outdoor water use. It also has the benefit of creating maximum sewer usage for customers covered by the rate.

To implement AWC rates in time for the new rate year beginning July 1, 2023, the EnQuesta Customer Billing System needs to be configured, and an initial data analysis performed and loaded. This effort will simplify rates through rate consolidation, analyze customer usage patterns to determine customer specific average winter consumption, and implement rates that allow customers to be billed for the lower of actual usage or their average winter consumption.

In order to complete the project in time for the new rates to be billed in August of 2023 for July 2023 usage, the statement of work includes a proposed cost of approximately \$200,000 and a contingency of \$50,000. The contingency is set at 20% of the project because, while not anticipated, additional data cleaning efforts may be required, approved funds are available for the necessary work.

The vendor, Systems and Software, is the sole implementer for EnQuesta, and is therefore the best and most efficient vendor to perform the work from a business perspective.

PROCUREMENT METHOD - SINGLE SOURCE

DWSD Procurement Policy, Section (5) Exceptions to Competitive Bidding, (B) Sole Source Procurements, Competitive bidding is not required when there is only one source of supply available.

In August 2022, DWSD went live with a major upgrade to EnQuesta. This allowed for more complex rate models to be implemented that allow for more customer specific variation to the rates. EnQuesta is the customer billing system for DWSD. It is a proprietary software written by Systems and Software. As proprietary software, only Systems and Software can modify or configure the EnQuesta.

The award and execution of this contract is dependent upon Systems & Software obtaining approved clearances.

SUMMARY

A.	Contract No.:	6005214
B.	Proposed Contract Amount:	\$250,000.00
C.	Proposed Contract Term:	4/19/23 - 4/18/24
D.	Funding Source:	CIP Funds
E.	Projected Fiscal Year (FY) Contract Expenditures:	
		FY 22-23: \$125,000
		FY 23-24: \$125,000

This proposed amendment was presented to the BOWC Finance Committee on April 5, 2023. Per DWSD procurement protocol, no other approvals are required.