



**Date of Council Meeting: June 23, 2015**

**TOWN OF LEESBURG  
TOWN COUNCIL MEETING**

**Subject:** Sole Source Procurement with Aclara for Meter Transmitting Units

**Staff Contact:** Amy Wyks, Director of Utilities  
Renee LaFollette, Director of Capital Projects  
Kathy Elgin, Chief Procurement Officer

**Council Action Requested:** A decision by Council is needed to approve a \$347,200.00 purchase of approximately 4,000 Meter Transmitter Units with Aclara. A determination by Council is needed if the purchase is a “sole source” under the Virginia Public Procurement Act.

**Staff Recommendation:** Staff recommends approval of the purchase of the units with Aclara and declaring the purchase meets the sole source procurement criteria under the Virginia Public Procurement Act.

**Commission Recommendation:** Not applicable

**Fiscal Impact:** The Water Meter Change-Out Program is an approved and funded Fiscal Year 2015 Capital Improvement Program in the total amount of \$600,000. An additional appropriation is not necessary.

**Work Plan Impact:** No additional personnel are required with the water meter change-out program. The water meter change out program will be incorporated into the daily operations of meter staffing and in conjunction with the utility billing process.

**Executive Summary:** The approved Fiscal Year 2015 Capital Improvement Program includes \$600,000 for funding a water meter change out program. The project involves replacement of all pulse water meters with encoder water meters throughout the Town’s water system. By upgrading the water meters to encoder technology, the Aclara meter transmitting units must also be changed from the pulse to encoder technology. To complete this project, the Town will also need to approve the sole source procurement of meter register heads through a separate Council action. Both a new meter register and transmitting unit are needed to upgrade to the new technology.

Code of Virginia, Section § 2.2-4303(E) of the Virginia Public Procurement Act authorizes the Town Council to forego competitive sealed bidding or competitive negotiation if the council determines, in writing, that only one source is practicably available to complete the services for which procurement is needed. The Town’s existing automated reading system (AMR) is Aclara’s Star Network and there are no other

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compatible meter transmitter units (MTUs) available unless the entire AMR system and all infrastructure is changed out and upgraded. If the Town Council determines that the Aclara MTU purchase, is a sole source, the Town Manager can procure and execute the purchase for units with Aclara.

**Background:** In 2002, the Department of Utilities implemented and deployed a fully integrated automated meter reading system. Due to the tremendous growth in water accounts at that time, the Town upgraded from a “walk by”, touch read automated meter reading system to a radio frequency based automated meter reading (AMR) system. The Aclara “Star” system is a fixed network system providing true AMR capability through the use of meter transmission units (MTU), data collection units (antennas) and a network control computer.

Data is collected twice a day from a customer’s water meter and transmitted from the data collection units to the town office, where the network control computer links to the billing and customer service financial system. The system has allowed us to expand our customer service through increased billing frequency, immediate leak detection checks, and faster response to customer billing concerns without the need for additional personnel. The most recent enhancement is the high usage water alert notification system and the ability for customers to view their daily and historical water usage.

The approved Fiscal Year 2015 Capital Improvement Program includes \$600,000 for funding a water meter change out program. The project involves replacement of all pulse water meter register heads with encoder water meters throughout the Town’s water system. By upgrading the water meters to encoder technology, the Aclara meter transmitting units must also be changed from the pulse to encoder technology. Approximately 4,000 MTUs will be ordered from Aclara in the amount of \$347,200.00.

The award of this purchase is subject to the Virginia Public Procurement Act. In order for the Town to purchase the MTUs from Aclara, the Town Council must determine, in writing, that Aclara is a “sole source” under Code of Virginia, § 2.2-4303(E). A sole source determination may occur “if there is only one source practicably available for that which is to be procured”.

The test for sole source is whether a particular product or service is “practicably” available, not whether it can be found anywhere. Aclara’s Star Network Automated Reading System is the Town’s current meter reading system installed and in operation since 2002 with Aclara’s proprietary infrastructure and software. It is advantageous and cost effective for the Town to maintain the Aclara AMR and can be considered a “sole source” under the VPPA in order to maintain the existing system and equipment without interruption in service or impact to accurate meter readings for utility billings.

**Attachments:** Resolution

PRESENTED June 23, 2015

RESOLUTION NO. 2015-

ADOPTED \_\_\_\_\_

A RESOLUTION: AUTHORIZING THE PURCHASE OF METER TRANSMITTING UNITS FROM ACLARA AS A SOLE SOURCE PROCUREMENT AND AUTHORIZING THE TOWN MANAGER TO PROCURE THE UNITS

WHEREAS, the Town of Leesburg (“the Town”) owns and operates the Aclara “Star” system for the automated meter reading system (“AMR”); and

WHEREAS, the water meter change out program is a funded and approved Fiscal Year 2015 Capital Project; and

WHEREAS, the Director of Utilites recommends purchase of the units from Aclara in the amount of \$347,200.00; and

WHEREAS, the sole source nature of purchase is ties directly to the existing water meter reading system infrastructure; and

WHEREAS, this purchase allows more efficient use of the utility rate payer’s dollars by not requiring the Department to purchase other AMR equipment or infrastructure; and

WHEREAS, the Virginia Public Procurement Act § 2.2-4303 gives a public body, under special conditions, authority to connect with a vendor either through “competitive negotiation” or by “sole source procurement”; and

WHEREAS, the current AMR was selected through a competitive Request For Proposal process in 2002; and

WHEREAS, there is only one sole source practicably available to maintain the existing system and equipment without interruption in service or impact to accurate meter readings for

A RESOLUTION: AUTHORIZING THE PURCHASE OF METER TRANSMITTING UNITS FROM ACLARA AS A SOLE SOURCE PROCUREMENT AND AUTHORIZING THE TOWN MANAGER TO PROCURE THE UNITS utility billings.

THEREFORE, RESOLVED, by the Council of the Town of Leesburg, Virginia as follows:

SECTION I. The Town Council hereby determines that only one source is practicably available for the procurement and directs that this resolution be posted on the public notice board in the town offices for a period of ten (10) days.

SECTION II. The Town Manager is hereby authorized to procure the sole source purchase of Meter Transmitter Units (MTU) in the amount of \$347,200.00 with Aclara.

PASSED this \_\_\_\_ day of June, 2015.

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Kristen C. Umstattd, Mayor  
Town of Leesburg

ATTEST:

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Clerk of Council