

[Ordinance approving agreements for procurement, installation and implementation of SFPUC Advanced Meter Infrastructure System.]

**Ordinance approving agreements necessary for the procurement, installation and implementation of the San Francisco Public Utilities Commission's Advanced Meter Infrastructure System, including Water Enterprise Agreement No. CS-936 with VSI Meter Services, Inc., related software license and maintenance agreements with Aclara RF Systems Inc., and a related source code escrow agreement with Aclara RF Systems and U.S. Bank National Association, under Charter Section 9.118; making findings of consistency with the General Plan and the Priority Policies of Planning Code Section 101.1; and ratifying the procurement and contracting processes used by the SFPUC.**

NOTE: Additions are *single-underline italics Times New Roman*;  
deletions are ~~*strike-through italics Times New Roman*~~.  
Board amendment additions are double-underlined;  
Board amendment deletions are ~~strike through normal~~.

Be it ordained by the People of the City and County of San Francisco:

Section 1. General Findings:

(a) The San Francisco Public Utilities Commission (SFPUC) desires to implement an Advanced Meter Infrastructure System (AMI System) to collect hourly consumption data from its retail water customers so that it can more efficiently manage its water resources and water system assets in San Francisco, and provide enhanced service to residential and commercial customers.

(b) On June 10, 2008, the SFPUC advertised a Request for Proposals seeking proposals from qualified AMI contractors. The Request for Proposals provided that proposals from AMI contractors would be evaluated based on experience, qualifications and cost.

1 (c) The Director of the Human Rights Commission waived the requirement for an  
2 LBE sub-contracting goal for this project in accordance with Section 14.B.8 of the  
3 Administrative Code.

4 (d) On August 13, 2008, the SFPUC received proposals from three qualified  
5 proposers.

6 (e) On February 13, 2009, the SFPUC announced that VSI Meter Services, Inc. was  
7 the highest-ranked proposer.

8 (f) Section 21.4 of the Administrative Code authorizes departments to negotiate  
9 contract terms and conditions, including price, with the highest-ranked proposer.

10 (g) On March 10, 2009, the SFPUC, by Resolution No. 09-0046, approved the  
11 selection of VSI Meter Services, Inc. to provide specialized procurement and implementation  
12 of an AMI System; and authorized the General Manager of the SFPUC to negotiate an  
13 agreement with VSI Meter Services, Inc. for a maximum amount of \$62,822,980, or, in the  
14 event negotiations were not successful or City requirements were not satisfied, to negotiate  
15 an agreement with the next highest-ranked proposer.

16 (h) The SFPUC has negotiated an Agreement for Procurement, Installation and  
17 Implementation of Advanced Meter Infrastructure System with VSI Meter Services, Inc. (VSI  
18 Agreement). The proposed VSI Agreement, including all appendices, is on file with the Clerk  
19 of the Board of Supervisors in File No. \_\_\_\_\_, and is hereby declared to be a part of this  
20 Ordinance as if set forth fully herein.

21 (i) The VSI Agreement specifies a contract not-to-exceed amount of \$62,531,370  
22 and an installation term of 27 months.

23 (j) Under the VSI Agreement, the SFPUC will enter into a separate software license  
24 agreement with Aclara RF Systems Inc., a subcontractor to VSI Meter Services, Inc., for an  
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1 amount not to exceed \$228,610. The proposed software license agreement is attached to the  
2 VSI Agreement in appendix I.

3 (k) Under the VSI Agreement, the SFPUC will enter into a separate software  
4 maintenance agreement with Aclara RF Systems, Inc. for an amount not to exceed \$60,000  
5 and a term of 24 months, with options to renew the agreement at the sole and absolute  
6 discretion of the City for a term of up to 20 years. The proposed software maintenance  
7 agreement is attached to the VSI Agreement in appendix I.

8 (l) Under the VSI Agreement, the SFPUC will enter into a source code escrow  
9 agreement with Aclara RF Systems, Inc. and U.S. Bank National Association for an amount  
10 not to exceed \$3,000 and a term of 24 months, with options to renew the agreement for  
11 \$1,500/year at the sole and absolute discretion of the City for a term of up to 20 years. The  
12 proposed escrow agreement is attached to the VSI Agreement in appendix J.

13 (m) The SFPUC anticipates that installation of the AMI System will begin in  
14 November 2009 and end in February 2012.

15 (n) On July 27, 2009, the City Planning Department issued a final Certificate of  
16 Determination/Exemption from Environmental Review for the project. The City Planning  
17 Department found that the project is exempt from environmental review under the California  
18 Environmental Quality Act. A copy of the Certificate of Determination is on file with the Clerk  
19 of the Board of Supervisors in File No. \_\_\_\_\_, and is hereby declared to be part of this  
20 Ordinance as if set forth fully herein.

21 (o) The City Planning Department has reviewed the project and found that it is  
22 consistent with the City's General Plan and with the priority policies in Planning Code Section  
23 101.1. The Planning Department's review and findings are on file with the Clerk of the Board  
24 of Supervisors in File No. \_\_\_\_\_, and are hereby declared to be part of this Ordinance  
25 as if set forth fully herein.

1           Section 2. Approvals and Ratification.

2           (a)     The Board of Supervisors, under Charter Section 9.118, hereby approves and  
3 authorizes the General Manager of the SFPUC to execute Water Enterprise Agreement No.  
4 CS-936, Agreement for Procurement, Installation and Implementation of Advanced Meter  
5 Infrastructure System, with VSI Meter Services, Inc., for an amount not to exceed  
6 \$62,531,370, and the related agreements: (1) software license agreement with Aclara RF  
7 Systems Inc., with a not-to-exceed amount of \$228,610, (2) software maintenance agreement  
8 with Aclara RF Systems Inc., with a not-to-exceed amount of \$60,000 and a term of 24  
9 months, with options to renew the agreement for up to 20 years, and (3) source code escrow  
10 agreement with Aclara RF System Inc. and U.S. Bank National Association, with a not-to-  
11 exceed amount of \$3,000 and a term of 24 months, with options to renew the agreement for  
12 \$1,500/year for up to 20 years, in substantially the forms on file with the Clerk of the Board,  
13 and in such final forms as approved by the General Manager, the City Attorney, and the  
14 Purchaser.

15           (b)     The Board of Supervisors hereby finds that the project is consistent with the  
16 City's General Plan and with the priority policies in Planning Code Section 101.1, consistent  
17 with the findings of the Planning Department, and for the reasons set forth by the Planning  
18 Department which findings are on file with the Clerk of the Board in File No. \_\_\_\_\_.

1 (c) The Board of Supervisors hereby ratifies any actions to date by the SFPUC to  
2 select a qualified AMI contractor and negotiate the agreements approved by this Ordinance,  
3 including any variances from the requirements of Chapter 21 of the Administrative Code.  
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5 APPROVED AS TO FORM:  
6 DENNIS J. HERRERA, City Attorney

7 By: \_\_\_\_\_  
8 George K. Wong  
9 Deputy City Attorney  
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