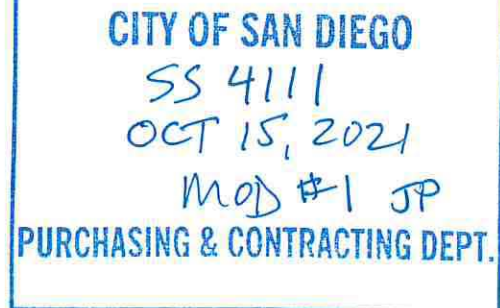


Purchasing and Contracting Department
Sole Source Request and Certification Form



To: Director of Purchasing and Contracting
Cc: Deputy Chief Operating Officer, Infrastructure / Public Works
From: Lisa Celaya, Assistant Director, Public Utilities
Date: October 13, 2021

In alignment with the guidance provided in the San Diego Municipal Code section 22.3016, the Purchasing Agent (Director of Purchasing and Contracting) must certify that the award of a sole source contract is necessary by memorializing in writing why strict compliance with a competitive process would be unavailing or would not produce an advantage, and why soliciting bids or proposals would therefore be undesirable, impractical, or impossible.

For consideration, this form must be completed and all required accompanying information must be submitted together, including any related contracts. Failure to do so will result in a delay of approval of the request.

Describe commodity or service(s) to be purchased. Include vendor contact information.

The Public Utilities Department (PUD) is requesting to modify sole source #4111, which was approved on November 18, 2019, for Itron, Inc. (Itron) to provide licenses, maintenance, and managed services for its proprietary hardware and software systems related to the Advanced Metering and Infrastructure (AMI) system and Multi-Vendor Meter Reading System (MV-RS). Due to the end of life of the MV-RS system software and associated hardware occurring on December 31, 2021, the City needs to purchase installation and training for the meter reading system replacement, Field Collection System (FCS), Itron Mobile, and Itron Radio to replace phased out hardware needed for meter reading operations and AMI installations.

Additionally, the Department of IT is requiring that PUD have a test environment (in addition to our current production environment) for the Field Deployment Manager (FDM) software before we can fully activate the production environment for use in the field to install AMI endpoints. FDM is a work-order management software that manages all data associated with the installation endpoints for the AMI project.

Lastly, because Itron is quoting services and requiring maintenance on an annual basis, we are requesting to extend the end date of the sole source to October 31, 2022 to allow for annual licenses and maintenance charges to be fully covered. The cost of the additional requested items is approximately \$153,506 and will not cause the original approved sole source amount of \$2.6M to be exceeded.

Vendor:
Itron Inc.

Contact: Cam Paulson, Account Executive
310-683-8397, cam.paulson@itron.com

Justification

1. This product or service is available from only one supplier and meets at least one of the following criteria (please check all that are applicable):
- One-of-a-kind/Compatibility*
 - a. Required by Warranty: the product matches existing equipment, infrastructure and is required by warranty. **(A letter from the provider which supports this claim must be provided.)**
 - b. Goods and Services:
 - i. the good has no competitive product or alternative on the market.
 - ii. the service requires a special skill, ability, or expertise linked to the current project that cannot be provided by another supplier.
 - City Standards*

The product or service complies with established, existing City standards.
 - Replacement*

The product or service is the only compatible replacement component that supports a larger system. Or, the services are the only ones that can replace the existing service requirements.
2. Do any of the following situations exist?
- Limited Competition*

Department made an attempt to find a second or multiple sources to no avail.
 - Emergency*

There is an urgent need for the item or service and time does not permit the City to solicit for competitive bids, as in the cases of emergencies as defined under SDMC section 22.3208,. (Delays in solicitation do not satisfy this criteria)

Cost/Market Analysis

Purchasing and Contracting will perform due diligence on each request. If Purchasing and Contracting can find a suitable, cost effective alternative, this request will be denied and that alternative will be pursued after your department has been contacted to discuss the revised determination.

This form does not take the place of an agreement and all sole source requests for a period of one year or longer will require the **submission of an agreement**. The requesting department must submit a purchase requisition and a copy of this certification to Purchasing and Contracting for a Purchase Order to be issued.

PCO Due Diligence (PCO to initial all that apply)

_____ Proof of warranty or maintenance requirement for standardized and replacement items confirmed.

JP Vendor/Supplier confirmed submission of justification letter.

_____ Market test confirmed that there is no advantage to the City in competing this contracting opportunity to multiple vendors.

_____ Emergency verified with the department.

JP Pricing agreement has been reviewed.

JP Purchasing and Contracting has reviewed this request and affirms that this request for a sole source justification is appropriate.

This sole source is approved for:

One (1) year from the signature date below.

For the entire length of the contract, but not more than five (5) years.

The length of the contract must be consistent with the sole source approval. A sole source request must be submitted and approved by the Purchasing and Contracting Director prior to the award of each new contract and prior to each extension of an existing contract that was not contemplated in the initial contract term.

_____ After reviewing the provided information and due diligence, I cannot recommend the approval of this request.

Purchasing and Contracting Director Review

I certify that strict compliance with a competitive process would be unavailing or would not produce an advantage, and that soliciting bids or proposals would be therefore undesirable, impracticable or impossible. My approval is contingent on the information provided in this form.

In accordance with SDMC §22.3016, this request is approved.

Based on the information provided and due diligence recommendation of staff, this request is denied.



Claudia C. Abarca, Director, Purchasing and Contracting

October 29, 2021

Date



Electric / Gas / Water
Information collection, analysis and application

2111 North Molter Road
Liberty Lake, Washington 99019
509.924.9900 Tel
509.891.3355 Fax
800.635.5461
www.itron.com

October 15, 2021

David Bryant, Program Manager
Water Meter Services
Public Utilities Department
9192 Topaz Way
San Diego, CA 92123

Dear Mr. Bryant:

Please consider this letter verification that Itron is the sole source provider of Itron Software License, Equipment and Total System Support service for City of San Diego's Mobile Meter Reading and Field Management systems, including Itron's FCS Software system, FDM Software system and associated Itron Mobile Radio equipment. Itron's Total System Support Services is a comprehensive maintenance program within which only Itron provides the Technical User Support, 24x7 phone support, software issue investigation, bug fixes and Software releases for these Itron products.

If you have any questions, please do not hesitate to contact Kevin McGrath in Itron Service Business, (509) 891-3327 or at kevin.mcgrath@itron.com.

Sincerely,

Michelle Roberts

Michelle Roberts
Sr. Manager, Itron Service Business
Itron, Inc.



Electric / Gas / Water
Information collection, analysis and application

2111 N. Molter Rd.
Liberty Lake, WA 99019
fax: 866-787-6910
www.itron.com

**Pricing Summary for
City of San Diego, CA**

BMR# 18237-21 Ver4 Sep
September 30, 2021

Item	Part Number	Description	Extended Price	Notes
Professional Services				
1	Services	FDM System Configuration and Implementation for Test instance	\$2,650.00	(1)
2	Services	FDM Upgrading Custom Workflow for a single version	\$23,850.00	
Itron Cloud Services				
3	One-time fee	One Time - Initial Set-up	\$2,472.00	(2)
			<u>Year 1</u>	
4	Operations	Itron Software as a Service - up to 300,000 Endpoints FDM (FDM Workorders) - Test Environment	\$78,444.00	
Services, Cloud Services Total			\$107,416.00	

Notes and Assumptions

- (1) Professional Services Assumptions:
 - Build of Test FDM system to match current production configuration
 - Includes upgrade of current custom workflow and packages from from 4.3.1 to 4.4 without any further changes
 - Work orders system upgrades require workflow and package development and will be bid separately as required in the future.
 - No changes to Standard Workflow or File Layouts are not included.
 - One Business Unit will be developed on an Itron Hosted system.
 - Includes one hosted Test System
 - No changes or additional custom reports
 - Services to be billed as a flat fee for system setup and upgrade
- (2) Itron Cloud Services includes the following:
 - Solution includes the following Itron applications: Field Deployment Manager (FDM Workorders)
 - Cloud Services to be provided from Itron's Cloud Services Data Center or Partner Data Center (TierPoint or Microsoft Azure).
 - Itron Cloud Services are based on a one-year term; services are billed annually.
 - Servers deployed in a high availability environment.
 - Servers, Microsoft operating system, and SQL Server included for head end operation.
 - Includes one test environment.
 - Field Deployment Manager Software as a Service is configured to support 300,000 endpoints. Includes up to 35 FSR's, 10 dispatcher and manager users, and 2 photos per meter.
 - Itron to perform server administration, database administration, local area network administration, monitoring software administration.
 - Invoicing commences once the system becomes available. Invoicing will be based on the total meter population, rather than the current number of meters installed.
 - Pricing will only be re-evaluated if customer meter counts change by 10% or more.
 - An annual escalation of 3% will be applied, starting in year 2.
- (3) Pricing is based on existing agreements or Itron's standard terms and conditions.
- (4) Taxes are not included. Prices are in US dollars. Prices are valid for one year.



Electric / Gas / Water
Information collection, analysis and application

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**Pricing Summary for
City of San Diego**

BMR# 22543-21 Ver2 Oct
October 5, 2021

Item Part Number	Description	Qty	Unit Price	Extended Price	Notes
Professional Services					(1)
1	IMA-REMOTE-SERVICE			\$2,500.00	(2)
2	Services			\$13,750.00	(3)
Professional Services Total				\$16,250.00	
Software					(4-6)
3	FCSB-ED			No Charge	
Software Total				No Charge	
Itron Cloud Services					
Setup Fees					
4	One-Time Fee			\$250.00	
5	Subscription			<u>Annual</u> \$7,200.00	(7-10)
Itron Cloud Services Total				\$7,450.00	
Total				\$23,700.00	

Notes and Assumptions

- Professional services bids provided are estimates only and are based on assumptions that have not been confirmed. In order to create a formal Scope of Work and an accurate professional services bid, a more detailed discussion of actual project requirements will be necessary.
- Remote Itron Mobile Services includes Itron Mobile Tenant setup, Itron Mobile loaded into IMA devices and Itron Mobile Training on setup, Admin/Operations and data collection using IMA data collectors. Standard business hours 8AM to 5PM, Monday through Friday. No weekend services.
- Remote FCS System Services include: Kickoff meeting/system requirements, FCS Installation on Single system, configure parameters/settings, configuration for Keyed, walk-by, drive-by reads, load FCS onto data collectors (manual, keyed, walk-by, drive-by), datalogging, Itron Mobile, support for questions; Remote Training Services include FCS desktop and data collector Life of a Route' training and Itron Mobile. From current MV-RS system. Standard business hours, 8AM to 5PM, Monday through Friday. No weekend service.
- The software fees are based on 1 production environment. Pricing for on-premise software also includes 1 test environment. If additional environments are required additional fees would apply.
- FCS software is provided with one copy of Crystal Reports Developer. Additional copies can be purchased separately at \$595.00 each.
- Pricing shown here does not include third party products needed for this system such as servers, PCs, operating systems, and Oracle or SQL Server database server.
- Itron Mobile is offered as an annual subscription with a minimum one-year term.
- A supported version of FCS must be fully tested and operational prior to deploying Itron Mobile.
- Itron Mobile requires the FCS server to be connected to the Itron Cloud and the FCS server to be maintained with the latest FCS software compatible with the Itron Cloud and Itron Mobile app.
- Access to certain features of Itron Mobile is dependent upon subscription type.
- Pricing is based on existing agreements or Itron's standard terms and conditions.
- Freight and taxes are not included. Prices are in US dollars. **Prices are valid through December 31, 2022. The FCS License Software will no longer be "no charge" as of January 1, 2022.**



Electric / Gas / Water
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www.itron.com

Pricing Summary for
City of San Diego, CA

BMR# 22566-21 Ver1 Jul
July 12, 2021

Item Part Number	Description	Qty	Unit Price	Extended Price	Notes
Hardware					
Itron Mobile Radio					
1 IMR-0902-002	Itron Mobile Radio 2 w/USB cable and charger - 1-year Warranty	10	\$2,095.00	\$20,950.00	
2 MSE-0440-001	Carry Accessory, Shoulder and Belt Clip	10	\$85.00	\$850.00	
Hardware Total				\$20,950.00	
Annual Maintenance					
3 Maintenance	Itron Mobile Radio 2 w/USB cable and charger - 1-year Warranty	10	\$144.00	\$1,440.00	
Annual Maintenance Total				\$1,440.00	

Notes and Assumptions

- (1) Pricing is based on existing agreements or Itron's standard terms and conditions.
- (2) Freight and taxes are not included. Prices are in US dollars. Prices are valid for 180 days.

FIRST AMENDMENT TO THE MAINTENANCE & SUPPORT SERVICES FOR THE ADVANCE METERING INFRASTRUCTURE FIXED NETWORK CHOICE CONNECT SYSTEM AND MULTI-VENDOR READING SYSTEM (MV-RS) HARDWARE AND SOFTWARE AGREEMENT BETWEEN THE CITY OF SAN DIEGO AND ITRON, INC.

This First Amendment to the Maintenance & Support Services for the Advance Metering Infrastructure Fixed Network Choice Connect System and Multi-Vendor Reading System (MV-RS) Hardware and Software Agreement (First Amendment) is made and entered into by and between the City of San Diego (City) and Itron, Inc. (Contractor), also referred to individually as "Party" and collectively as the "Parties."

RECITALS

1. City approved Sole Source #4111 on November 18, 2019 resulting in a contract between the City and Contractor (Agreement) to provide maintenance & support services for the Advance Metering Infrastructure fixed network Choice Connect system and multi-vendor reading system (MV-RS) hardware and software. The Agreement is comprised of Agreement and its exhibits.

2. The Agreement may be amended by written agreement executed by duly authorized representatives of both Parties.

3. The Parties wish to amend the Agreement to extend the initial three-year contract term to October 31, 2022; replace equipment, hardware, software, and related services that are approaching end of life (EOL) or being phased out by Contractor; and add a test environment for the replacement software as required by the City's Department of Information Technology (DoIT).

TERMS

For each section of the Agreement amendment, do the following:

1. Section 2.1 Term of the Agreement is **REVISED** in its entirety to read as follows:

2.1 **Term.** This Agreement shall be for a period of three (3) years and two (2) months beginning September 1, 2019 through October 31, 2022. City may, in its sole discretion, extend this Agreement for two (2) additional one-year period(s). Unless otherwise terminated, this Agreement shall be effective until completion of the Scope of Services or **October 31, 2022**, whichever is earliest. The term of this Agreement shall not exceed five years unless approved by the City Council by ordinance.

2. Exhibit A, Section B.2 header is **REVISED** in its entirety to read as follows:

B.2 MAINTENANCE FOR THE MOBILE HANDHELD DEVICES (FC300), DOCKING STATIONS, MV-RS SOFTWARE, FIELD COLLECTION SYSTEM (FCS) SOFTWARE, ITRON MOBILE, AND ITRON MOBILE RADIO

3. Exhibit A, Section B.2 is **REVISED** to add sub-section f) MV-RS to FCS Migration to read as follows:

f) MV-RS to FCS Migration

- City is allowed to use FCS under the software license terms of the existing agreement. Where City is currently using MVRS, City agrees that it will cease using MVRS upon full protection use of FCS for collection of meter reading consumption.
- Contractor agrees to license FCS to City at no charge under the terms of the Agreement's software license, up to 300,000 endpoints. Contractor will charge software license fees for FCS to City at Contractor's then-current rate if and to the extent City exceeds 300,000 endpoints. City shall pay for an Itron Mobile Walk-By/Drive-By subscription as specified in the pricing agreement.
- Contractor shall setup, install and provide training for FCS and Itron Mobile software at the price specified in the pricing agreement.
- Contractor will deliver FCS to City via electronic download or physical delivery, at City's preference. Contractor will deliver Itron Mobile Setup and Training remotely.
- Contractor will provide maintenance services for FCS under the terms of City's current Agreement at the rates currently charged to the City for MVRS maintenance services as of the amendment effective date.
- Contractor may adjust FCS maintenance service fees for subsequent maintenance years in accordance with City's maintenance service term under the Agreement.
- Contractor will provide annual maintenance (billed monthly in arrears) for Itron Mobile Radio 2 with USB cable and charger, as specified in the pricing agreement.

4. Exhibit A, Section B.5.b is **REVISED** to replace the first bullet in its entirety to read as follows:

- Provide Field Deployment Manager Software-as-a-Service (FDM SAAS) Production and Test Environment, based on a Fixed Network system of up to 300,000 endpoints, 126 collectors, and 483 repeaters.

5. Exhibit A, Section B Specifications is **REVISED** to add section 6. **HARDWARE** to read as follows:

6. HARDWARE

The following hardware, accessories, and protection packages may be ordered, as needed, at the City's discretion:

- Ten (10) Itron Mobile Radio 2 w/USB cable and charger, 1-year warranty, Carry Accessory, Shoulder and Belt Clip

6. This First Amendment will be effective when signed by both parties and approved by the City Attorney in accordance with Charter section 40.

7. All provisions of the Agreement not addressed in this First Amendment remain in full force and effect.

IN WITNESS WHEREOF, this First Amendment is executed by City and Contractor acting by and through their authorized officers.

Itron, Inc.

Signed by:
By: Joel Vach
04887003421E488

Name: Joel Vach

Title: VP-Tax and Corporate Treasurer

Date: 11/30/2021

City of San Diego

By: [Signature]

Name: Claudia C. Asara

Title: Director, Purchasing & Contracting

Date: December 3, 2021

Approved as to form this 6th day of December, 2021.

MARA W. ELLIOTT, City Attorney

By: [Signature]
Deputy City Attorney

Bonny Hsu
Print Name