

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

3 **Ordinance approving agreements necessary for the procurement, installation and**
4 **implementation of the San Francisco Public Utilities Commission's Advanced Meter**
5 **Infrastructure System, including Water Enterprise Agreement No. CS-936 with VSI**
6 **Meter Services, Inc., related software license and maintenance agreements with Aclara**
7 **RF Systems Inc., and a related source code escrow agreement with Aclara RF Systems**
8 **and U.S. Bank National Association, under Charter Section 9.118; making findings of**
9 **consistency with the General Plan and the Priority Policies of Planning Code Section**
10 **101.1; and ratifying the procurement and contracting processes used by the SFPUC.**

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

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

15 Section 1. General Findings:

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

21 (b) On June 10, 2008, the SFPUC advertised a Request for Proposals seeking
22 proposals from qualified AMI contractors. The Request for Proposals provided that proposals
23 from AMI contractors would be evaluated based on experience, qualifications and cost.
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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. 091094, 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. 091094, 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. 091094, 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. 091094.

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:

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George K. Wong
Deputy City Attorney

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City and County of San Francisco

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Tails

Ordinance

File Number: 091094

Date Passed:

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 San Francisco Public Utilities Commission.

October 27, 2009 Board of Supervisors — PASSED, ON FIRST READING

Ayes: 10 - Alioto-Pier, Avalos, Chiu, Chu, Daly, Dufty, Elsbernd, Mar, Maxwell, Mirkarimi

Absent: 1 - Campos

November 3, 2009 Board of Supervisors — FINALLY PASSED

Ayes: 11 - Alioto-Pier, Avalos, Campos, Chiu, Chu, Daly, Dufty, Elsbernd, Mar, Maxwell, Mirkarimi

File No. 091094

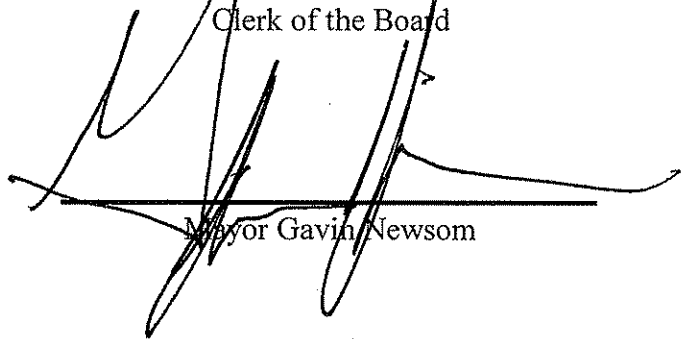
I hereby certify that the foregoing Ordinance
was **FINALLY PASSED** on November 3,
2009 by the Board of Supervisors of the City
and County of San Francisco.



Angela Calvillo
Clerk of the Board

11-10-09

Date Approved



Mayor Gavin Newsom