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April 7, 2021

Panama City Commission
501 Harrison Ave.
Panama City, FL 32401

RE: Meter Reading Contracts for Utilities

Dear Mayor and Commissioners:

For your approval are two contracts that work together to provide the necessary services for the City to start reading water meters remotely again. During Hurricane Michael, the towers that were required for remote transmission of the meter readings were destroyed, and many of the individual water meters were damaged.

Since Hurricane Michael, the City has read meters “manually” (by driving a truck with an antenna through the City that reads the meters) and has also repaired the individual meters when they are identified. This is not a permanent or reliable system for reading water meters.

Previously on December 10, 2019, the Commission authorized staff to negotiate a contract with Gulf Power to repair and resume remote meter reading through Gulf Power’s current system. However, this contract was never completed and “stalled” as Gulf Power was being sold to Florida Power and Light’s parent company, NextEra Energy. Due to various factors including the fact that NextEra Energy is not as familiar with providing this service for customers, the Staff recognizes that a contract cannot be successfully consummated with NextEra Energy.

The City already has existing water meters that were purchased and maintained from Sensus prior to Hurricane Michael. Core and Main is the authorized retailer for Sensus equipment and maintenance agreements in this area. Gulf Power would have been contracting through Core and Main as well. The City has an existing estimated 20,000 meters and if the City does not use Sensus and seeks out another vendor, the City will have to replace all meters and antennas. The estimated costs to start over would be in the millions.

Therefore, the staff proposes entering into a sole source contract with Sensus through Core and Main in order to continue using current equipment, only replace missing meters as necessary, and continue operating the system that is already in existence. Currently, two new antennas and a software upgrade are needed to bring the remote meter reading capability back online.

Staff recommends approval of the attached contracts. Attached are the following contracts:

- Core and Main – Bid Proposal for M400 Base Stations and Installation at 2 sites
 - o This contract is for a total of \$121,429.98. This is for the installation of the Monopole and two M400 Base Stations.

- Core and Main – FlexNet/SaaS (Sensus Software and Annual Service)
 - o This contract is for a 5 year total of \$179,990.90. The first year annual service fee is \$27,500 which then increases by 3% each year. The annual service fee is for the use of the software that allows the meters to work remotely.

Sincerely,



Nevin J. Zimmerman, Esq.

cc: Mark McQueen, City Manager
Brandy Waldron, Interim City Clerk