

Issue Analysis Form



Date: March 22, 2022

Item: Contract Amendment – AMI Radio Read Metering – Contingency, Finance and Bond charges.

Lead Department(s): Engineering & Utilities

Contact Person(s): Frank Haltom, Director

Description and Current Status

The AMI Radio Read Metering contract was awarded during the February 8th regular meeting of the Board. The award was for a not-to-exceed amount of \$3,011,934.40 as provided in the proposal submitted by Utility Service Co. This cost included the implementation costs for the new infrastructure and the lifetime cost of the annual maintenance program (\$1,898,845.00 for implementation; and \$1,113,089.40 for maintenance / meters).

After further reviewing the proposal it was determined the following items were not included as part of the County's RFP:

- Performance and Payment bond costs for the installation of the new infrastructure – \$100,115.00
- 10% Contingency costs to cover potential costs due to unforeseen conditions during installation of new infrastructure - \$189,885.00
- Interest and issuance costs to finance the implementation costs over 15 years - \$588,336.00 - this does not include the annual maintenance program costs.

Therefore, total costs of implementation, excluding the annual maintenance costs, is \$2,777,175.00, which is \$878,336.0 more than the awarded amount for the implementation component.

The annual maintenance costs remain as originally submitted, which are based on a \$1.97 unit cost per meter per month. The first annual payment is expected to be \$74,206 based on the number of meters included in the RFP. However, each year the annual maintenance costs will be increased per the Consumer Price Index (CPI) and by the number of new meters added into the maintenance program through future growth.

Staff recommends a resolution to amend the contract amount for AMI Full Service Implementation and Maintenance Program increasing the amount by \$878,335.37 to allow for the performance bond, 10% contingency, and finance charges.

Government Path

Does this require IDA action?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does this require BZA action?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does This require Planning Commission Action?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does this require Board of Supervisors action?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does this require a public hearing?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

If so, before what date?

Fiscal Impact Statement

Award of the contract will require budgets over the next 15 years to include the annual costs of the program. The annual costs of the maintenance program is subject to increase as new meters are added to the program.

County Impact

The program provided under this contract will improve the process of collecting monthly water utility meter data to enhance the level of service offered to utility customers.

Notes

None.

Board of Supervisors
County of Prince George, Virginia

Resolution

At a regular meeting of the Board of Supervisors of the County of Prince George held in the Boardroom, Third Floor, County Administration Building, 6602 Courts Drive, Prince George, Virginia, this 22nd day of March 2022:

Present:

Marlene J. Waymack, Chair
Donald Hunter, Vice-Chair
Alan R. Carmichael
Floyd M. Brown, Jr.
T. J. Webb

Vote:

On motion of _____, seconded by _____, which carried unanimously, the following Resolution was adopted:

CONTRACT AMENDMENT – AMI RADIO READ METERING – CONTINGENCY, FINANCE AND BOND CHARGES.

WHEREAS, A contract to provide an Advanced Metering Infrastructure (AMI) Full Service Implementation and Maintenance Program was awarded to Utility Services, Inc. on February 8th, 2022 for a not-to-exceed amount of \$3,011,934.40; and

WHEREAS, Costs not included in the award include the Performance and Payment bond costs of \$100,115.00 for the installation of the new infrastructure, 10% Contingency costs of \$189,885.00 to cover potential costs due to unforeseen conditions during installation of new infrastructure, and interest and issuance costs to finance the implementation costs over 15 years of \$588,336.00; and

WHEREAS, The total costs of implementation, excluding the annual maintenance costs, is \$2,777,181.00, which is \$878,336.00 more than the awarded amount; and

WHEREAS, The first annual payment for the maintenance program is expected to be \$74,206, and such annual maintenance costs are subject to increase each year per the Consumer Price Index (CPI) and by the number of new meters added into the maintenance program through future growth.

NOW, THEREFORE BE IT RESOLVED: That the Board of Supervisors of the County of Prince George this 22nd day of March, 2022, does hereby amend the contract for AMI Full Service Implementation and Maintenance Program to Utility Service Co. by increasing the amount by \$878,336.00 to allow for the performance bond, 10% contingency, and finance charges for a total award of \$2,777,181.00.

A Copy Teste:

Jeffrey D. Stoke
Interim County Administrator

IMPLEMENTATION ONLY

		<---Approved
Lump Sum Bid	1,898,845.00	2/8/22
Issuance Costs	-	
Performance Bond	-	
Contingency	-	
	1,898,845.00	
Amount Actually Financed		
Lump Sum Bid	1,898,845.00	
Performance Bond	100,115.00	
Contingency (10% without PB)	189,885.00	
Less Down Payment	-	
Amount to Finance (Without Issuance)	\$ 2,188,845.00	
Issuance Cost	\$ 21,888.45	
Total Amount to Finance	\$ 2,210,733.45	588,336.00 Interest & Issuance

15 Years	Per Suez	2.9970%
Annual Payment	185,145.40	
Life Time Payment	2,777,181.00	588,336.00 Interest over life of loan
	2,777,181.00	
Difference from What Was Approved 2/22/2022	\$ 878,336.00	

Additional Amounts to Approve 3/22/2022:

Interest & Issuance	588,336.00
Performance Bond	100,115.00
Contingency	189,885.00
	878,336.00