



Agenda Item Summary

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Submitted By

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Reviewed By

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Agenda Item Title

A Resolution Approving a Professional Services Agreement with M.E. Simpson, Inc. for Technical Support with the Village's Water Loss Control Program in an Amount Not to Exceed \$115,760.00 and Authorizing its Execution

Overview

The Public Works Department solicited proposals from qualified firms to provide technical support for the Village's Water Loss Control Program. M.E. Simpson, Inc. provided a proposal that meets the Village's needs. The Water Loss Control Program provides a comprehensive review of the Village water distribution and metering systems as well as an audit and evaluation of the utility billing system.

Recommendation

N/A

Staff Recommendation

Approve the Resolution.

Fiscal Impact

Funds for these services are available in various accounts in the Water & Sewer Fund: 5040-43730-101-530667, External support (\$41,210.00); 5040-43730-776-530667, External Support (\$8,550.00); 5040-43730-777-530667, External Support (\$61,000.00); 5040-43730-777-570707, Capital Improvements (\$5,000.00). The total funds from these accounts would be \$115,760.00

The above account budgets were provided for watermain distribution system leak detection, large meter testing, master meter testing, meter parts and a customer web portal. The last item, the customer web portal, is proposed to be deferred since water loss control is more of a priority at this time.

Background

The Village is required to submit an Annual Water Use Audit to the Illinois Department of Natural Resources (IDNR). The audit consists of reporting annual Authorized Consumption including both billed and unbilled water (metered and unmetered), Water Loss and Non-Revenue Water (NRW). During the period October 1, 2017 through September 30, 2018 the Village's Non-Revenue Water as percent by Volume of Water Supplied was 23.1%. This would equate to a 76.9% water bill to water pumped ratio. This IDNR ratio is typically close

to the calendar year water bill to water pumped ratio found in the Comprehensive Annual Financial Audit (CAFR).

Effective 2019, the IDNR would like NRW to not be above 10%. If a Public Water Supply is above that threshold they will be required to submit a system improvement plan that outlines the actions the public water supply plans to undertake, along with a timeframe, to reduce NRW to below this threshold.

The last five years reporting NRW to the IDNR was: 2017 - 24.6%; 2016 - 15.5%; 2015 - 18.6%; 2014 - 20.3% and 2013 - 14.9%.

Non-Revenue Water is defined as the water that is not billed and produces no revenue. NRW consists of Unbilled Authorized Consumption plus Apparent and Real losses. Apparent losses are attributed to inaccuracies associated with customer metering, systematic data handling errors (billing), plus unauthorized consumption (theft or illegal use of water). This represents the non-physical loss of water (or the paper loss). Real losses are the actual water lost from the water distribution system (leaks).

In an effort to address the NRW losses staff prepared a Request for Proposals (RFP) for Water Loss Control Program. On March 8, 2019, the Water Loss Control Program RFP was placed on the Village's website for public viewing and area firms were notified by e-mail with the link to the Village's website. On March 25, 2019, one sealed bid was received for the Water Loss Control Program from M.E. Simpson in the amount of \$115,760.00.

Although the RFP included a provision which would allow a firm to bid on individual sections of the program if unable to submit on the complete package of work the other firms did not want to submit a partial bid, nor did they want to partner with another firm as a joint venture. This is very specialized work therefore there are not many firms who provide these services.

M.E. Simpson is the leading Water Loss Audit provider for the area and they have completed similar work for the Village in the past. Based on their qualifications and their past performance with the Village it is recommended to utilize their professional services.

The Water & Sewer Division is continuing work to reduce the unaccounted for water loss for the Village. A critical part of this analysis is to test the accuracy of large capacity water meters. Also contributing to overall water loss is the presence of leaks which do not surface and remain undetected. The 2019 Water Loss Control Program will combine these efforts on one services contract to create a comprehensive overview of the complete water system. Also included in the program is an overall system evaluation to look at billing procedures and look for any other areas which would contribute to unaccounted for water loss.

Alternatives

The Board can delay action to gain additional information.

Previous Board Action

The Village has previously completed leak detection surveys and in 2018 began a more aggressive review of testing of large water meters and master meter testing (the Chicago water meters).

Citizen Advisory Commission Action

N/A.

Anticipated Future Actions/Commitments

It is the recommendation to continue with an annual Water Loss Control Program and provide necessary budget for this work.

Intergovernmental Cooperation Opportunities

The Village is the only Public Water Supply serving Oak Park.