

MEMORANDUM

To: Village Manager Cara Pavlicek
From: Public Works Director Kelly Hamill
Date: 2024-02-13
Subject: A Resolution Authorizing the Execution of a Letter of Intent for Audit and Project Management Services for the Automated Metering Project with Veregy, LLC of Phoenix, Arizona.

Overview

Staff is seeking authorization to enter into a Letter of Intent with Veregy, LLC for audit and project management services for the automated metering project.

Fiscal Impact

The Letter of Intent does not have an immediate fiscal impact to the Village of Northbrook, unless at the end of the audit period the Village chooses to not enter into an agreement with Veregy, LLC for project management and implementation services. If the Village chooses not to enter into that agreement with Veregy, the Village will pay Veregy \$34,000 for their services during the audit phase. Funds for that expenditure are available in the Water Fund.

Recommendation

Approval.

Background

The replacement of water meters within the Village was initially identified during discussions of the Utility Rate Study on November 8, 2022. The topic of the Utility Rate Study as well as a water meter replacement program were referred to the Public Works and Facilities Committee by the Village Board on December 13, 2022 with Resolution 2022-126. The Public Works and Facilities Committee discussed the topic of water meter replacements and automated meter reading systems on February 7, 2023.

Following the February 7, 2023 discussion on water meter replacements and automated meter reading systems by the Public Works and Facilities Committee, a staff committee with representatives of the Finance, IT, and Public Works Departments as well as the Village Manager's Office was formed. This committee met with various meter, network, and software vendors as well as other communities that have completed similar projects. The committee provided recommendations to the Public Works and Facilities Committee on July 11, 2023. Following this meeting, staff met with an energy services company to learn about different approaches to managing the project.

A Request for Qualifications for project management services for the automated metering

project was prepared, reviewed by the staff committee, and released on October 23, 2023. Submissions were due on Tuesday, November 14, 2023 and at that time the Village received three responses. The staff committee met on Thursday, November 16 to review the three responses and determined it was in the Village's best interests to interview all three firms. Interviews were conducted with the firms on November 29, 30 and on December 1. At the conclusion of the interviews, the committee determined that Veregy, LLC ("**Veregy**") was most qualified and would best meet the Village's needs. Veregy has successfully performed similar services for nearby communities such Glenview, Buffalo Grove, and Palatine. Staff provided and update to the Village Board at the January 9, 2024 Village Board meeting on this process.

Staff began discussions with Veregy following the staff committee's recommendation. Veregy proposed the Village use the process they have found most beneficial and cost effective, which is to conduct an audit of the Village's water meter information and verify a sample of field conditions while assisting the Village in preparing and obtaining pricing for meters, network and software, and installation. Following the audit phase, the Village and Veregy will finalize the scope of work and quantities/sizes of meters to be replaced, the communications materials to be produced, the customer service and scheduling to be performed, and the not to exceed cost for the overall management of the project. There is no cost to the Village for this audit phase, unless the Village chooses to not move forward with Veregy for the project management and implementation services in which case the Village would be responsible for paying Veregy \$34,000 for the work that was performed.

To begin the audit phase of the project with Veregy, the Village will need to execute the attached Letter of Intent with Veregy, LLC of Phoenix, Arizona. Subsequent Resolutions will be brought back for the Village Board's consideration to award contracts for the purchase of meters, purchase of radio/networks solutions and associated software to read meters remotely, meter installation services, and project management and implementation services.

[Exhibit A - Letter of Intent with Veregy.pdf](#)

[A_Resolution_Authorizing_an_Agreement_with_Veregy__LLC_for_AMI_Project_Management](#)



February 13, 2024

Veregy

Attention: Danielle Melone

17W635 Butterfield Rd.

Unit 315

Oakbrook Terrace, IL 60523

Re: Letter of Intent and Approval to Proceed with an Audit for Professional Project Management Services for Automated Metering Infrastructure Procurement and Implementation

Dear Danielle:

The Village of Northbrook ("the Village") intends to contract with Veregy for the implementation of a Professional Project Management Services for Automated Metering Infrastructure (AMI) Procurement and Implementation ("Program") designed to improve its infrastructure and operational efficiencies. Prior to commencing the Project, Veregy recommended that an audit of the Village's water meter information be conducted to verify field conditions while assisting the Village in preparing and obtaining pricing for meters, network and software, and installation ("Audit").

The Audit will focus on the following:

1. Project scope development.
2. Feasibility of an automatic meter-reading system.
3. Survey of meters within the distribution system for accessibility (1% or approximately 125).
4. Symposium and finalization of equipment technologies.
5. Review and selection of a customer service portal.
6. Scope and cost for the purchase of equipment.
7. Scope and cost for project management and installation of AMI infrastructure and meters.

In order to accomplish the Audit, Veregy requests the following from the Village:

- Names of Available Assets (Example: East Water Tower)
- Asset Address or GPS Coordinates
- Asset Type (Examples: water tower or cell tower)
- Asset Height (Example: 137 Ft.)
- A complete list of installed meters and the following details:
meter size, meter class, meter model, age of meter

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Kathryn L. Ciesla

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Johannah K. Hebl
Robert P. Israel
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Village Clerk
A.C. Buehler III

Village Manager
Cara L. Pavlicek

account number, address, route, customer name and phone numbers/email address

- At least 24 monthly of historical water usage for each meter, by month, including meter ID, water consumption, sewer consumption, billed water charge, billed sewer charge, bill date.
- Names and contact information of persons with whom Veregy can confer regarding any of the Utility Data, Operational Data, financial information and general day-to-day issues that may arise during performance of the Study ("Contact Persons");
- Any other information requested by Veregy reasonably necessary in order for Veregy to perform the Audit.

Following the Audit, Veregy and the Village intend to negotiate an Agreement which meets the objectives defined above, as reasonably determined by the Parties, and if the parties execute the Agreement, then the costs associated with the Audit will be incorporated into the price of the Agreement. However, if the Village does not execute an Agreement with Veregy within sixty (60) days of Veregy's execution of a mutually agreeable Agreement, then the Village agrees to pay Veregy \$34,000 (Thirty-four thousand dollars and no cents) for engineering and consulting services. All fees shall be paid within sixty (60) days of the invoice for the Audit Services described above.

Indemnification

To the fullest extent permitted by law, Veregy shall indemnify and hold harmless the Village, its officials, employees and volunteers against all injuries, deaths, loss, damages, claims, suits, liabilities, judgments, costs and expenses, which may in anyway accrue against the Village, its officials, employees and volunteers, arising in whole or in part in consequence of the negligent or willful performance of the Audit by Veregy, its employees, or subcontractors, or which may in any way result therefor, except that arising out of the negligence or willful act of the Village, its officials, employees and volunteers. If any judgment shall be rendered against the Village, its officials, agents, employees and volunteers, in any such action, Veregy shall, at its own expense, satisfy and discharge the same.

Notwithstanding any other provision of this Letter of Intent, nothing contained in this Letter of Intent shall require Veregy to indemnify or hold harmless another person from that person's own negligent acts or omissions.

Confidentiality

Veregy shall not at any time, either directly or indirectly, disclose, use or communicate or attempt to disclose, use or communicate to any person, firm, or corporation any confidential information or any other information concerning the business, services, finances or operations of the Village except as expressly authorized by the Village. Veregy shall treat such information at all times as confidential. Veregy acknowledges that each of the following can contain confidential information of the

Village and that the disclosure of any of the following by Veregy without the Village's express authorization would be harmful and damaging to the Village's interests:

- A. Compilations of resident names and addresses, resident lists, resident information reports, any other resident information, computer programs, computer software, printouts, backups, computer disks and diskettes, and computer databases and which are not otherwise known to the public.
- B. All information relating to the Audit being performed by Veregy under this Letter of Intent, regardless of its type or form and which are not otherwise known to the public.
- C. Financial information.

This itemization of confidential information is not exclusive; there may be other information that is included within this covenant of confidentiality. This information is confidential whether or not it is expressed on paper, disk, diskette, magnetic media, optical media, monitor, screen, or any other medium or form of expression. The phrase "directly or indirectly" includes, but is not limited to, acting through Veregy's employees' wives, children, parents, brothers, sisters, or any other relatives, friends, partners, trustees, agents or associates.

On behalf of the Village, this Letter of Intent is approved as of the date above.

Sincerely,

Signed

Cara L. Pavlicek

Print

Village Manager

Title

Acknowledged and agreed for Veregy:

Signed

Print

Title

Resolution _____

BE IT RESOLVED by the President and Board of Trustees of the Village of Northbrook, County of Cook and State of Illinois, THAT:

A Resolution Authorizing Execution of a Letter of Intent for Audit and Project Management Services for the Automated Metering Project with Veregy, LLC of Phoenix, AZ

is hereby adopted, as follows:

Section 1. Recitals.

The Village of Northbrook has identified the replacement of water meters and implementation of an automated meter reading system as a priority for the management of the Village's water system ("**Project**"). On October, 23, 2023 the Village of Northbrook released a Request for Qualifications (RFQ) for project management services of said project ("**Project Management Services**"). On November 14, 2023, the Village received three responses to the RFQ and a staff committee reviewed these responses. The staff committee interviewed the three firms and following the interviews determined that Veregy, LLC of Phoenix, Arizona ("**Consultant**") was the most qualified and would best meet the Village's needs for the Project Management Services.

Through discussions with the Consultant, they recommended they conduct an audit ("**Audit**") of the Village's water meter information and verify field conditions while assisting the Village in preparing and obtaining pricing for meters, network and software, and installation. There is no cost to the Village for the Audit, unless the Village does not move forward with them for the Project Management Services in which case the Village will compensate the Consultant in the amount of \$34,000 for the work that they have performed. To move forward with the Audit, the Village will execute a Letter of Intent ("**LOI**") authorizing the Consultant to move forward with that initial phase.

Based on these factors, staff recommends executing the LOI for the Audit. The Fiscal Year 2023/24 Budget contains sufficient funds for the Audit in Account No. 21-4180-554-00 (Professional Services) should the Village not move forward the Consultant for Project Management Services.

The President and the Board of Trustees have considered the LOI and determined that it is in the best interests of the Village and the public to enter into the LOI with the Consultant.

Section 2. Approval of LOI.

The LOI with the Consultant is approved in a form acceptable to the Village Manager and the Village Attorney.

Section 3. Authorization to Execute Letter of Intent.

The Village Manager shall be, and is hereby, authorized and directed to execute, on behalf of the Village, the LOI.

ATTEST:

Village Clerk

Village President