

RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES

DATE: MAY 9, 2022

SUBJECT: MAINTENANCE AND SUPPORT AGREEMENT WITH TANTALUS SYSTEMS, INC., A DELAWARE CORPORATION, FOR THE ELECTRIC ADVANCED METERING INFRASTRUCTURE HEAD-END SYSTEM, WITH ANNUAL AUTOMATIC RENEWALS, COST FOR FISCAL YEAR 2021/22 IS \$135,046

ISSUE:

Consider approving the Maintenance and Support Agreement with Tantalus Systems, Inc., a Delaware Corporation, for the Electric Advanced Meter Infrastructure Head-End System with annual automatic renewal fees, initial cost for fiscal year 2021/22 is \$135,046.

RECOMMENDATIONS:

That the Board of Public Utilities:

1. Approve the Maintenance and Support Agreement with Tantalus Systems, Inc., a Delaware Corporation, for the continued use of the Electric Advanced Meter Infrastructure Head-End System with annual automatic renewals, initial cost for fiscal year 2021/22 is \$135,046; and
2. Authorize the City Manager, or designee, to execute the agreement, including making minor non-substantive changes, and to sign all documents and instruments necessary to complete the transactions.

BACKGROUND:

On January 28, 2019, the Board of Public Utilities approved the Electric Advanced Metering Infrastructure (AMI) and Meter Data Management System (MDMS), which included a Professional Services Agreement with Tantalus Systems, Inc. for a cloud-based Electric AMI Head-End System, with initial maintenance and support fees included through December 31, 2021. Tantalus was selected through Request for Proposal No. 1837, consistent with the City's Purchasing Resolution No. 23812.

DISCUSSION:

AMI is an integrated system of advanced electric meters, communications networks, and data management systems that enables automation and two-way communication between the utility

and the meter provided to the customer. The system provides a number of important functions that were not previously possible or had to be performed manually, such as the ability to automatically and remotely measure electricity use, connect and disconnect service, detect tampering, identify and isolate outages, and monitor voltage. AMI provides RPU near real-time and actionable information about system performance, power quality, and outages. The information increases reliability and efficiencies and lowers overall operating costs.

Riverside's Electric AMI approach maximizes the current investment in residential Encoder Receiver Transmitter (ERT) meters, while introducing new AMI functionality across the entire service territory. The project is in the final phase, full deployment of the AMI ERT overlay, utilizing the Tantalus system.

Tantalus is a cloud-hosted, Software as a Service (SaaS) solutions, which means the City does not have to invest in and build extensive on-premises IT infrastructure to support the systems. A Maintenance and Support Agreement is necessary to maintain the licensing and technical support that Tantalus provides for the system.

The Maintenance and Support Agreement with Tantalus includes an initial maintenance support fee of \$135,046 covering January 1, 2022, to December 31, 2022, with annually automatic renewal amounts for maintenance support fees guaranteed not to increase by more than 3.5% year over year. In future years, the Tantalus maintenance support fees will be presented to the Board of Public Utilities for approval as part of the annual Purchase Order report, subject to budget allocation of the maintenance support costs.

The Purchasing Manager concurs that the recommended actions are in compliance with Purchasing Resolution No. 23812, Section 702(t), when the Procurement is for the annual maintenance, license, support or similar need for current technology systems, including hardware, and the items procured are from the owner/developer of the software/hardware or from a sole source provider, and the manager is satisfied that the best price and conditions have been negotiated.

The Deputy Chief Innovation Officer concurs with the recommendations in this report.

STRATEGIC PLAN ALIGNMENT:

This item contributes to **Strategic Priority #2 – Community Well-Being**, and **Strategic Priority #4 – Environmental Stewardship**, and **Strategic Priority # 6 – Infrastructure, Mobility & Connectivity**, and the following goals:

Goal 2.6: Strengthen community preparedness for emergencies to ensure effective response and recovery;

Goal 4.6: Implement the requisite measures to achieve citywide carbon neutrality no later than 2040;

Goal 6.2: Maintain, protect and improve assets and infrastructure within the City's built environment to ensure and enhance reliability, resiliency, sustainability and facilitate connectivity; and

Goal 6.4: Incorporate Smart City strategies into the planning and development of local

infrastructure projects.

This item aligns with each of the five Cross-Cutting Threads as follows:

1. **Community Trust** – Once fully implemented, AMI will give Riverside Public Utilities (RPU) customers expanded control, increased flexibility, more transparency, and additional choices regarding how they manage energy usage and energy efficiency and how they interact with RPU.
2. **Equity** – RPU is committed to ensuring that all RPU ratepayers share in the realized utility cost savings and distribution grid improvements obtained from the deployment of this new AMI network.
3. **Fiscal Responsibility** – The business case for AMI includes anticipated benefits in the form of operational savings, revenue enhancement, efficiency improvements, and recovery of losses, which results in a 7-year payback period.
4. **Innovation** – AMI is the current industry standard for meter reading. It is an integrated system of advanced electric meters, communications networks, and data management systems that enables automation and two-way communication between the utility and the meter provided to the customer.
5. **Sustainability & Resiliency** – AMI directly reduces carbon emissions associated with service vehicles, enables RPU to better support the integration of customer sited and local utility sited advanced technologies such as solar PV systems, energy storage, and electric vehicle charging, and helps customers better understand and use their electricity data and information to meet sustainability goals and manage bills.

FISCAL IMPACT:

The total cost for Fiscal Year 2021/2022 is \$135,046. Sufficient funds are available in the Electric Operations Professional Services Account No. 6100000-421000.

Future funding will be included as part of the biennial budget process for the respective budget years.

Prepared by:	Daniel E. Garcia, Utilities Deputy General Manager/Power Resources
Approved by:	Todd M. Corbin, Utilities General Manager
Approved by:	Kris Martinez, Assistant City Manager
Approved as to form:	Phaedra A. Norton, City Attorney

Certifies availability of funds:	Edward Enriquez, Chief Financial Officer/City Treasurer
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Attachments:

1. Maintenance and Support Agreement with Tantalus
2. Presentation