



CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

C-6

333 West Ocean Blvd. • Long Beach, California 90802

August 18, 2009

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION

Authorize the City Manager to execute any and all documents necessary for the fifth amendment to extend Contract 20610 with Southern California Edison (SCE) by three months to July 31, 2010, for continued manual meter-reading, and with provisions to allow for a smooth transition to a new meter-reading vendor, in an estimated amount not to exceed \$60,000. (Citywide)

DISCUSSION

Southern California Edison (SCE) has been providing manual gas and water meter-reading services to the City for the past 20 years. Since SCE was already reading its own electric meters, the City was able to piggyback on that process and contract with SCE to utilize their meter-reading staff to perform the same service for the City-owned gas and water utilities, at the annual cost of \$1.2 million. The current contract is set to expire on April 30, 2010.

SCE has informed the City of its intent to migrate to automatic meter-reading, and is currently in the process of eliminating all manual meter-reading services for the City and throughout their service area. Due to the necessary investment in equipment and infrastructure, the City has not been in a position to migrate to automated meter-reading. As a result, an extensive search is in progress to select a new contractor to perform monthly meter-reading and reporting on all 90,000 water meters and 146,000 gas meters in the City. Annual gas and water revenues are approximately \$232 million and are contingent upon effective and timely meter-reading services.

SCE has agreed, pending City Council approval, to extend the meter-reading contract by three months, from April 30, 2010 to July 31, 2010. The proposed amendment will allow the City and SCE to transfer route-related information and services to the new contractor with minimal disruption as the City transitions to the new contractor to perform the manual meter reads for the gas and water meters in Long Beach.

This matter was reviewed by Deputy City Attorney Amy Burton on July 7, 2009 and Budget and Performance Management Bureau Manager David Wodynski on July 10, 2009

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TIMING CONSIDERATIONS

City Council action is requested on August 18, 2009, to develop a transition plan to a new contractor.

FISCAL IMPACT

Incremental costs identified with the transition services, in an amount not to exceed \$60,000, will be included in the FY 10 Adopted Budget. Long Beach Gas and Oil Department (EN) and the Water Department (WA) share the cost of reading meters based on the number of gas and water meters read by SCE annually. Therefore, this request will not have an impact on the General Fund (GP).

SUGGESTED ACTION:

Approve the recommendation.

Respectfully submitted,



LORIANN FARRELL
DIRECTOR OF FINANCIAL MANAGEMENT/CFO

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APPROVED:



PATRICK H. WEST
CITY MANAGER