



Agenda Item Summary

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Submitted By

John P. Wielebnicki, Director of Public Works

Reviewed By

LKS

Agenda Item Title

A Resolution Approving a Water Meter and Water Meter Parts Purchase Agreement with Ferguson Enterprises Inc., d/b/a Ferguson Waterworks in an Amount not to Exceed \$271,500.00, Authorizing its Execution and Waiving the Village's Bid Process for the Agreement

Overview

This purchase will be the Department of Public Works' continuation in upgrading the water meter system of replacing all of the version 1 Meter Interface Units (MIU's) that were installed as part of the meter change out program started in 2001. The goal of the program is to replace all version 1 MIU's with the new integrated register heads for a complete "smart" meter system. The Department will continue to use in-house staff to complete the project.

Staff Recommendation

Approve the Resolution.

Fiscal Impact

The purchase of these materials will be funded from the FY 2017 Water and Sewer Fund Budget, Capital Improvements account #5040-43750-781-570707 and #5040-43730-777-570707 which provides \$271,500.00 for the water meter replacements.

Background

In 2012, the Water and Sewer Division completed the final phase of the water meter change out program that was started in 2001. The meters that were changed out were meters that were installed in the 1980's and have surpassed their useful life. These meters were less accurate and did not capture all of the water flowing through the meter, causing lower revenues and inaccurate accounting for water consumed throughout the Village. The meters were also read by using a touch pad device requiring the meter reader to physically touch the reader mounted on the outside of the building resulting in an inefficient meter reading process. The technology utilized in new water meters allows the Village to read the water meters more efficiently, capture more accurate meter readings, increasing revenue and accuracy in water consumption, along with the added benefit of data logging within the water meter to track history of water usage on an individual water meter. Throughout the change out program, the Water and Sewer Division also made repairs on water meters and MIU's (radio transmitting device) that were installed in the first phase of the program in 2001 that had failed. The majority of these repairs replaced the MIU's that had a 5-7 year life span. The MIU's were removed and

the new integrated register heads were installed. There are currently 4,720 version 1 MIU's still in operation (from the initial 2001 phase) in the meter system with an average of 20-30 MIU's that fail each billing cycle and are replaced with the new MIU's. When MIU's fail, an estimated bill is generated until the MIU and register head can be replaced.

Staff recommends waiving the bid process for this Agreement and Resolution because Ferguson Waterworks is the only regional distributor of the Neptune water meter that the Village uses. Neptune is the manufacturer of the meters that were purchased to start the change-out program in 2001 and is the preferred manufacturer of meters to complete the program to maintain continuity with the meters. Neptune has also served the water industry for 120 years starting 1892 and is a leader in AMR (Automatic Meter Reading) technology.

This purchase agreement also includes the purchase of water meters for the purpose of new and/or upgraded water services requiring new water meters. These meters are paid for by the customer/resident during the permit process handled by the Development Customer Services Department. The money collected for these meters is deposited into the Water and Sewer Fund Revenue account. The average amount of meters purchased through the Development Customer Services Department is \$50,000.00 annually.

Alternatives

The Board can delay action to gain additional information.

Previous Board Action

The Village Board has approved this supplier for parts purchase in 2016 and previous years.

Citizen Advisory Commission Action

N/A.

Anticipated Future Actions/Commitments

The meter program will continue annually with the replacement of meters and MIU's as required.

Intergovernmental Cooperation Opportunities

There are no opportunities for intergovernmental cooperation for the purchase of these materials at this time.

Performance Management (MAP) Alignment

This work is in alignment with the Governance Priority established for the Department of Public Works for Infrastructure/Capital Programs.