



Agenda Item Summary

File #: RES 19-38, **Version:** 1

Submitted By

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Reviewed By

LKS

Agenda Item Title

A Resolution Approving a Purchase Price Agreement with Ferguson Enterprises Inc., d/b/a Ferguson Waterworks in an Amount not to Exceed \$371,500.00, Authorizing its Execution and Waiving the Village's Bid Process for the Agreement

Overview

This is an annual item is for the purchase of water meters and water meter parts as part of the Public Works Departments continuation of maintaining the the water meter system. Staff is requesting waiving the bid process since Ferguson Waterworks is the only regional distributor of these meters used by the Village.

Staff Recommendation

Approve the Resolution.

Fiscal Impact

The purchase of these materials will be funded from the FY2019 Water and Sewer Fund Budget, Capital Improvements, account #5040-43750-781-570707 and #5040-43730-777-570707 which provides \$400,000.00 for the water meter replacements.

Background

In an effort to strive for accurate reading of water usage and reduce non-revenue water loss the Public Works Department continues the process of replacing older/obsolete water meters.

There are approximately 12,600 meters in the Villages water system. The meters are necessary to record water usage for billing purposes. As meters age they can become less accurate due to wear on the meter parts. Meters have an expected life of 15-20 years for accuracy purposes. As meters age they will typically record less water usage than acutally is being used thus accounting for water usage that is not being billed.

There are two parts to a water meter. The first is a brass housing that the water flows through. The second part is called a Register Head. The second part is what records the flow of water to determine the volume that has been used by the customer. The Register Head communicates to the Water Meter Reader employee who drives down the street and records the water used by customers. The readings are then provided to the Finance Department who proceeds with the quarterly billing of customers.

There are approximately 3,500 meters in the system that are nearly 20 years old. Replacement of these meters and register heads will be a priority. In addition, a large meter testing program began in 2018 which confirms meter accuracy. This item provides funding for the materials for this work.

The Department will continue to use in-house staff at this time to work towards completion of replacing older meters and meter register heads. It is expected that 1,000 meters and register heads can be replaced in 2019.

Staff recommends waiving the bid process for this purchase 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 over 120 years starting in 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 amount of meters purchased through the Development Customer Services Department varies and is budgeted as \$25,000.00 in FY2019.

Alternatives

The Board can delay action to gain additional information.

Previous Board Action

The Village Board has approved this supplier for parts purchase in 2018 and previous years.

Citizen Advisory Commission Action

N/A.

Anticipated Future Actions/Commitments

In 2019 staff will be looking at options to move towards an Advanced Metering Infrastructure system. This would also allow the Village and residents know real time water usage, be notified of possible leaks and offer the possibility to move to bi-monthly or monthly billing.

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 Public Works Department for Infrastructure/Capital Programs.