



Agenda Item Summary

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Submitted By

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Reviewed By

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Agenda Item Title

A Resolution Approving a Water Meter and Water Meter Parts Purchase Price Agreement with Ferguson Enterprises, LLC, d/b/a Ferguson Waterworks in an Amount not to Exceed \$100,000.00, Authorizing its Execution and Waiving the Village's Bid Process for the Agreement

Overview

This 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. This is primarily a purchase for maintenance work and not part of the overall budgeted meter replacement program which is expected to be brought forward to the Board in Q3 2020.

Recommendation

Approve the Resolution.

Fiscal Impact

The purchase of these materials will be funded from the Fiscal Year 2020 Water and Sewer Fund Budget, Capital Improvements, account #5040-43750-781-570707 (50%, \$50,000.00) and #5040-43730-777-570707 (50%, \$50,000.00) which provides funds 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 metering 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 and measures the water. 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 also 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 billing of customers. The

current style of replacement meters will allow the Village to transition from a 'drive-by' reading system to a 'fixed-base' reading system which will collect reads on a daily basis.

In 2020, the Department will use in-house staff for maintenance repairs. As noted in the Overview, in Q3 2020 staff will be seeking bids for contracted services to work towards completion of replacing the older meters and meter register heads. The bulk of the meters required for a contractor services agreement will be apportioned at the time that work is bid.

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 Fiscal Year 2020.

Alternatives

The Board can delay action to gain additional information.

Previous Board Action

The Village Board has approved this supplier for parts purchase in 2019 and previous years.

Ferguson Waterworks has been the sole supplier of the Villages meters. They did not increase their prices in 2020 over their 2019 pricing.

Citizen Advisory Commission Action

N/A.

Anticipated Future Actions/Commitments

In 2020 staff will be looking at options to move towards an Advanced Metering Infrastructure system. This would also allow the Village and residents to know real time water usage, be notified of possible leaks and offer the possibility to move to bi-monthly or monthly billing. The purchase of the additional meters for replacement and the installation contract will be brought forth to the Village Board in Q3 2020.

Intergovernmental Cooperation Opportunities

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