



## Report to Council

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**To:** Mayor Watters and Members of Council

**Report:** COR2025-55

**Prepared By:** Samoya Lloyd-Smith, Manager of  
Purchasing and Risk Management

**Date:** 15 Sep 2025

**RE:** RFP#42-25 Water Meter Replacement Project

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### **Recommendation:**

THAT the Council of the Township of Centre Wellington approves the award of the Contract for RFP#42-25 to Neptune Technology Group Canada Co at an upset limit of \$2,838,901, inclusive of contingency, exclusive of non-rebate taxes for the supply and installation of 4720 meters.

AND THAT available budget funding be revised as outlined in Report COR2025-55 dated 15 September 2025.

### **Summary:**

Residential water meters installed by the Township in 2003 are up for replacement. These meters have a service life ranging from 15-20 years. A negotiated RFP was issued for the replacement of approximately 4720 water meters and one submission was received. Staff have completed negotiations with Neptune Technology Group Canada Co, the current Vendor of record for water meter infrastructure (IS2024-14), to arrive at a final price for supply and installation.

### **Report:**

#### Background

In 2003, the Township completed a water metering program and approximately 5,000 domestic water meters were installed. Currently, the Township maintains a total of 8,580 domestic water meters sized 1.0" (25 mm) or less. Of these, approximately 4,720 units are original installations from the 2003 program.

Residential water meters typically have a service life ranging from 15 to 20 years. The original meters are now at, or nearing end of lifespan, raising concerns regarding their operational accuracy and reliability. Meter performance deteriorates over time due to factors such as age, water chemistry and usage patterns. As water meters age, they begin to become less accurate. The hardness of municipally supplied well water contributes to mineral buildup and impairs meter accuracy. Additionally, meters operating at low flow rates result in reduced accuracy.

Accurate metering is essential to ensure that actual water consumption is properly recorded. Inaccurate meters result in unregistered consumption, leading to apparent water loss within the distribution system and reduced rate revenue. Staff conduct periodic accuracy assessments throughout the year. In 2025, testing revealed that meters are, on average, 94.97% accurate at typical household flow rates. Given an average household consumption of 13.2 m<sup>3</sup>/month, this 5.03% discrepancy equates to an average unregistered volume of 0.664 m<sup>3</sup> per meter per month. Applied across all meters, this results in an estimated volumetric loss of 5,698 m<sup>3</sup>/month, translating to an annual revenue shortfall of approximately \$386,331. When applied specifically to the 4,720 meters identified for replacement, the estimated loss is 3,137 m<sup>3</sup>/month or \$212,715 annually.

In addition to decreased accuracy, the original meters are equipped with a battery that have exceeded their expected lifecycle. Initially designed with a 10-year battery, a replacement program was undertaken between 2012 and 2013 using the best available batteries at the time, also rated for 10 years. As a result, all original meters now contain batteries that are beyond their service life, increasing the risk of failure and data transmission issues.

All meters in the Township are equipped with radio frequency (RF) transmission which allows for remote reading and provide staff with highly detailed consumption data. This technology is an integral part of advancing smart meter technology initiatives. The meter replacement program will not only address aging infrastructure and accuracy concerns but will also support the continued advancement of the Township's Advanced Metering Program.

#### Procurement Process

A Request for Proposal was issued for the completion of the Water Meter Replacement Project. The RFP closed on July 21, 2025 and one submission was received from Neptune Technology Group Canada Co for a base price of \$2,623,753.14 exclusive of non-rebate. Neptune also highlighted that pricing will be impacted by the Tariff's imposed by the Canadian government against US products. A 3.2% tariff was added as a separate line item to the base pricing to account for tariffs. This amount will be removed if the US and Canada is able to come to trade agreement.

A meeting was held with Neptune to review and discuss their proposed pricing and to negotiate a pricing for provisional items that may be required, but the need would not be fully known until the installation is in progress.

It is recommended that an award be made to Neptune Technology Group Canada Co, the current Vendor of Record for water meter infrastructure (IS2024-14), at an upset limit of \$ 2,838,901 (inclusive of tariff, exclusive of non rebate taxes) for the supply and installation of 4720 water meters and associated provisional items.

The contingency amount of \$131,188 will not be included in the contract but will be managed internally by Township staff throughout the meter installation project rollout. It will allow for the replacement of non-meter components, plumbing corrections, minor carpentry, and other items that are to be encountered in various properties. This Contingency amount shall not be expended without prior approval from the Township.

**Corporate Strategic Plan:**

Championing environmental stewardship

**Financial Implications:**

See the attached Financial Analysis for details.

The upset limit of the contract and the additional costs exceed the approved budget allocation of \$1,300,000 for 2025. It is recommended that the amount budgeted for 2026 (\$1,300,000) in the 10-year capital budget forecast, be brought forward for use in 2025. The shortfall of \$294,280 will be funded from the Water (42%) and Wastewater (58%) reserves.

The original scope contemplated a phased implementation through 2025 and 2026, however the pricing provided by Neptune is based on a continuous operation within a single mobilization for maximum efficiency and streamlined execution. Any disruption to the continuity would result in a remobilization fee to cover additional logistics and resource allocation needed to resume work.

**Consultation:**

This report was prepared in Consultation with:

Dino Masiero, Manager of Water Services and Environmental Sustainability

Adam McNabb, Managing Director of Corporate Services

Attachments:

- [RFP#42-25 Financial Analysis - Water Meter Replacement Project](#)

**Approved By:**

Colin Baker, Managing Director of Infrastructure Services

Adam McNabb, Managing Director of Corporate Services & Treasurer

Dan Wilson, Chief Administrative Officer

**RFP#42-25 Water Meter Replacement Project**

**Notes**

|                                                          |                        |
|----------------------------------------------------------|------------------------|
| Supply and Install of 4720 meters plus provisional items | \$ 2,345,855.00        |
| AMI Installation                                         | \$ 121,040.00          |
| Water Meter Reading software costs                       | \$ 148,804.49          |
| One time costs (implementation costs, training etc)      | \$ 8,053.65            |
| <b>Subtotal 1</b>                                        | <b>\$ 2,623,753.14</b> |
| <i>Tariff</i>                                            | <i>\$ 83,960.10</i>    |
| <b>Subtotal 2</b>                                        | <b>\$ 2,707,713.24</b> |
| Contingency                                              | \$ 131,187.66          |
| <b>Subtotal (including tariff)</b>                       | <b>\$ 2,838,900.90</b> |
| Non-rebate taxes                                         | \$ 49,964.66           |
| <b>Total</b>                                             | <b>\$ 2,888,865.55</b> |

5% Contingency to cover any unforeseen costs during implementation

|                                                                             |                        |
|-----------------------------------------------------------------------------|------------------------|
| 2025 Budget (Water Meter Modernization and Replacement 330-7056)            | \$ 1,300,000.00        |
| Expenses to date                                                            | \$ 5,414.00            |
| <b>Available Funding in 2025</b>                                            | <b>\$ 1,294,586.00</b> |
| 2026 Forecasted budget (Water Meter Modernization and Replacement 330-7056) | \$ 1,300,000.00        |
| <b>Overall Project Budget</b>                                               | <b>\$ 2,594,586.00</b> |

Procurement Charge

**Shortfall** (294,279.55)

To be funded 42% from water / 58% from WW