



To: Mayor and Council

From: Andrew MacNaughton Manager Water/Wastewater

Date: August 20, 2025,

Committee of the Whole Date: August 25, 2025,

Title: Award of Contract # 25-PW-012 Water Meter Replacement Program

☐ For Direction

☐ For Information

☒ For Adoption

☐ Attachment (NA)

Recommendation: THAT Council of the Corporation of the Town of Smiths Falls pass a Bylaw to award Contract 25-PW-012 for the Water Meter Replacement Program to Neptune Technology Group Canada Co.;
AND FUTHER THAT Council authorizes a 2026 Capital pre-budget approval in the amount of \$882,946.76;
AND FURTHER THAT Council authorizes the Mayor and the Clerk to executive a contract agreement with Neptune Technology Group Canada Co. in the amount of \$1,707,946.76 (including Net HST) as presented in Committee of the Whole Report 2025-081.

Purpose: The purpose of this report is to provide background on the procurement process for the Water Meter Replacement Program and to award the contract to the qualifying bidder.

Background: During 2025 Capital budget deliberations, the Utilities Division proposed that all remaining aged residential water meters throughout Town be replaced with new Neptune T-10 water meters starting in 2025, with the balance of meters being replaced in 2026. Neptune T-10 water meters are equipped with Radio Frequency (RF) transmitters which allows for meter reads to be completed remotely. Distribution staff that read meters now have meter reading technology that allows for meter consumption data to be collected while traversing across/through Town in a Town vehicle.

As of August 20, 2025, there are 3260 residential water meters in Town, of which 986 have been replaced with new Neptune T-10 water meters. This leaves a balance of 2274 residential water meters to be replaced.

Analysis and Options: The existing residential water meters that have not been replaced with Neptune T-10 water meters are beyond their effective service life. Older water meters, when bench tested by the manufacturer, suggest, at a minimum, the tested meters under perform at a rate of 10% or greater. This means that when water passes through a water meter, only 90% or less is being recorded for billing purposes. A water meter is a mechanical device, and as with any mechanical device, they wear out over time.

This past summer, the Utilities Division sought out proposals from qualified proponents to undertake a turnkey water meter replacement program. The proponent will be required to provide the following;

- Supply and install Neptune T-10 water meters outfitted with RF transmitters
- Contact property owners to arrange for installation
- All public communication including customer service for the duration of the program

➤ All software installation and integration

The Utilities Division issued a Request for Proposal (RFP) for this project on Bids and Tenders on June 12, 2025. The RFP closed on July 3, 2025. Terms within the contract documents specify that the works must commence in 2025 and be completed by the end of 2026.

There was one (1) response to this RFP with Neptune technology Group Canada Co. providing the only bid. See results below.

COMPANY	TOTAL PRICE (Inclusive of Net HST)
Neptune Technology Group Canada Co.	\$1,652,070.34 (see Notes below)

Note 1: The submitted price is inclusive of \$665 (plus HST) for Provisional Items such as out-of-scope plumbing or carpentry modifications. However, the bid sheet provided in the RFP did not have estimated quantities for Provisional Items, rather it provided the proponent space to provide a unit price for different out-of-scope works that may be required. In consultation with Neptune, and based on their experience, it is estimated that 30% of residential properties will require some out of scope work. Town staff have estimated provisional additional costs to be \$125 (plus tax) per property for 30% of the properties involved in this program. This equates to a total estimated Provisional Item cost of \$85,275.00 (plus HST). The total value of the contract noted in the recommendation (\$1,707,946.76 (including Net HST)) is reflective of estimated Provisional Item costs.

Note 2: The submitted price by Neptune includes an additional charge of \$58,181.80 associated to trade tariff implications. Neptune's water meters are manufactured in Alabama, USA where they have their own foundry. Much of the raw materials that make up a water meter, notably brass, is sourced from China. Trade tariffs between the USA and China are impacting meter costs and those costs are being passed onto the consumer. Imposed tariff costs equate to approximately \$25.00 in surcharge per water meter. Rather than include this in the per meter cost (unit price in the RFP of \$675 per meter), Neptune chose to break it out as a separate line on their bid form for transparency.

Replacing the balance of aged water meters throughout town will not only increase water revenue (as the new meters will record 100% of water passing through each meter), it will also reduce staff time to read meters. It is estimated that on a monthly basis, meter reading will take two (2) days as opposed to the current ten (10) days. Completing the replacement of all remaining meters in 2025–2026 will ensure the entire metering system is updated and standardized. New meters are expected to last 10–15 years. This approach will allow the Town to plan for a phased replacement cycle in future years to ensure replacement costs are spread out over time.

Option 1 (recommended) – Award the contract to Neptune Technology Group Canada Co. as they were the only submission received and have the ability and resources to commence work as soon as possible in 2025 and complete the project in 2026.

Option 2 (not recommended) – Do not award the project; or reissue the RFP; or cancel the project.

Budget/Financial Implications: There was a total of \$825,000.00 approved in the 2025 Capital budget for this project, with the understanding at the time that \$825,000.00 would be budgeted during 2026 Capital budget deliberations to account for costs associated with the project as a whole. The project was originally estimated at \$1,650,000 to be funded from Capital Water Reserves. The additional funds required in 2026 in the amount of \$57,946.76 can be funded from Capital Water Reserves.

Link to Strategic Plan (2023-2026):

Vision – Item 3 – Investing in our infrastructure to keep pace with needs

Existing Policy:

By-Law no. 7850-2004, Policies respecting the procurement of goods and services
Asset Management Plan

Consultation: Water Billing Clerk, Administrative Coordinator Public Works and Utilities, Chief Operator of Distribution, Director of Public Works and Utilities, Director of Corporate Services/Treasurer

Attachment: N/A.

Notes/Action (space for Council Member's notes):

Respectfully Submitted:

Approved for agenda by:

Original Copy Signed
Andrew MacNaughton
Manager of Water/Wastewater

Original Copy Signed
Malcolm Morris, CMO
CAO