

**CITY OF FERNDALE
REQUEST FOR COUNCIL ACTION**

FROM: Candice Giles

SUBJECT: Consideration of Ferguson Waterworks Proposal for Water Meter System Upgrade in an Amount Not to Exceed \$3,215,188.61, as submitted by Finance Manager

INTRODUCTION

A proposed Water Meter System upgrade to provide improved functionality and billing transparency.

This agenda item was tabled after at the August 26, 2019 City Council meeting. City Council requested more information related to the bidding process, warranty information related to the meters , and whether the utility billing data could be resold.

SUMMARY & BACKGROUND

The City of Ferndale has been working towards an upgrade to the Water Sewer System that will address an ongoing issue with the City's meter system that produces sporadic and unpredictable meter readings (and, subsequently, incorrect and/or extreme water bills), as well as provide residents with heightened transparency regarding their water bills.

During the Budget Process and Water Rate Study, the Finance department was particularly concerned with delivering quality service without stepping outside of the regularly scheduled water rate increase. This meant that the most sustainable option would be to replace the meters and the radios, which would also be due for replacement soon.

The Finance team and DPW leaders met with four vendors to research solutions that would meet our high expectations for customer service. The proposals were ranked on four major areas of impact: information technology and meter function, product support and customer service, experience and qualifications of the vendor, and cost. The team unanimously agreed that Ferguson Waterworks would be the best fit to deliver on these expectations, with high-level rankings by the team in all four categories. SLC Meters was ranked second, coming in significantly lower in product support and company experience/qualifications. The two other vendors studied, Verizon and Mueller Systems, ranked low in all categories.

Regarding resident utility data, under the Ferguson Proposed Contract (Confidentiality agreement Section A), all data is confidential and owned by the City of Ferndale and the Contractor shall not be able to disclose this information except as required by law (B). This language was added to the contract by the City Attorney.

City Council also requested more data related to the lifespan and warranty of the Neptune Meters. The meter warranty completely covers the equipment for the first ten years followed by a prorated scale for the subsequent ten years. An industry standard for meters can be a complex issue due to the variable water usage causing wear and tear, but an acceptable lifespan for an average water meter is 10-12 years. Detailed warranty information documents are attached.

BUDGETARY CONTEXT

Budgeted from Water Sewer Capital fund (592-000-977.000) in the amount not to exceed \$3,215,188.61

CIP#

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ATTACHMENTS

[Ferguson Powerpoint 2.0.pptx](#)

[Encoder Warranty.pdf](#)

[Mach 10 Warranty.pdf](#)

[Meter Warranty.pdf](#)

[R900 Warranty.pdf](#)

[R900 Gateway Warranty.pdf](#)

[Ferndale Contract - Proposed \(1\).docx](#)

[Finance_Powerpoint.pptx](#)

STRATEGIC PLANNING CONTEXT

Supported Infrastructure

RECOMMENDED ACTION

Approve an agreement between the City of Ferndale and Ferguson Waterworks for Water Meter System Upgrade Not to Exceed \$3,215,188.61, funds to be paid for from the Budgeted Water/Sewer Capital Fund account number 592-000-977.000, and authorize the Finance Director to sign the contract.