Agenda – Standing Policy Committee on Water, Waste and Environment – September 11, 2026

REPORTS

Item No. 2 Award of Contract for Supply of Advanced Meter Infrastructure and Water Meter Solution Negotiated Request for Proposal No. 497-2025

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

1. That the City award a contract with ICONIX Waterworks (GP) Inc. who submitted the most advantageous offer, for the Supply of Advanced Metering Infrastructure and Water Meter Solution at a total cost of $62,152,518.54, GST and MRST extra as applicable until June 30, 2030.

2. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

ADMINISTRATIVE REPORT

Title: Award of Contract for Supply of Advanced Meter Infrastructure and Water Meter Solution Negotiated Request for Proposal No. 497-2025

Critical Path: Standing Policy Committee on Water, Waste and Environment – Executive Policy Committee – Council

AUTHORIZATION

Author	Department Head	CFO	CAO
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EXECUTIVE SUMMARY

The Public Service recommends awarding Negotiated Request for Proposal (NRFP) No. 497-2025 for the Supply of Advanced Metering Infrastructure and Water Meter Solution to ICONIX Waterworks (GP) Inc. (ICONIX). The total contract cost is $62,152,518.54, plus GST and MRST where applicable. The contract term runs until June 30, 2030.

ICONIX will provide meters and communication infrastructure to the City. ICONIX is a Canadian company and the distributor for Kamstrup, a Danish smart meter manufacturer.

The contract will be funded through:

- the approved capital budgets for Water Meter Renewals; and
- the annual operating budgets for Water Meters.

The recommendation in this report follows the City's Purchasing Policy and all applicable trade agreements.

RECOMMENDATIONS

1. That the City award a contract with ICONIX Waterworks (GP) Inc. who submitted the most advantageous offer, for the Supply of Advanced Metering Infrastructure and Water Meter Solution at a total cost of $62,152,518.54, GST and MRST extra as applicable until June 30, 2030.

2. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

REASON FOR THE REPORT

As the total conditional amount to be paid by the City pursuant to the contract exceeds $10 million, GST and MRST extra as applicable, and the contract is for a purchase that obligates the City to expenditure on future budgets, Council approval is required pursuant to the Purchasing Policy F1-003.

IMPLICATIONS OF THE RECOMMENDATIONS

The total contract award value of $62,152,518.54 will be split between the two funding sources as follows:

- $59,418,534.34, GST and MRST extra as applicable from the Capital Budget for the Water Meter Renewals; and
- $2,733,984.20, GST and MRST extra as applicable from the annual Current Budget – Water Meters from 2026 through 2030. The annual breakdown is provided in the Financial Impact Statement.

Following award of this contract, $17,204,455.26 will remain available from total funds in the amount of $85,818,000.00 originally included in the approved multi-year Capital Budgets for Water Meter Renewals, Account Distribution No. 443 181000 200751 2001003424 Contractex.

Economic Impact Analysis (EIA)

The estimated direct and indirect economic impact of this expenditure is:

Economic Impact	Manitoba	Rest of Canada
Gross Domestic Product (GDP)	$13.4 million	$2.4 million
Person Years of Employment	101	12
Federal Government Tax Revenue	$2.8 million	$0.3 million
Provincial Government Tax Revenue	$3.0 million	N/A

Source: Statistics Canada. Table 36-10-0595-01 Input-output multipliers, detail level.

The evaluated expenditure for this project is $62.4 million (this includes GST and MRST). The expenditure and estimated impacts are in 2026 dollars. Contingency and internal staff costs are excluded from the analysis. Some additional elements of the expenditure may be excluded to align with macroeconomic accounting principles.

The 2022 GDP at basic prices simple multipliers for machinery, equipment and supplies merchant wholesalers [BS417000], communication engineering construction [BS23C400], truck transportation [BS484000] were used to assess this expenditure.

Additionally, the wholesale, transportation and tax margins for the product measuring, control, and scientific instruments [MPG334A06] from Statistics Canada's 2022 Manitoba supply table (table: 36-10-0478-01) were used to prepare this analysis.

Federal and provincial government tax revenue estimates include GST, MRST, personal income taxes, corporate income taxes and other sources of taxes and fees. These are estimated using

the multipliers noted above in conjunction with effective tax rates calculated from the economic accounts produced by Statistics Canada.

HISTORY/DISCUSSION

Project Details

The City of Winnipeg has approximately 223,000 residential, commercial, and industrial water meters. Over 146,000 (65 percent) are past their service life and need replacement. In addition to the replacement program the Public Service is also implementing an Advanced Metering Infrastructure (AMI) to address billing accuracy, improve customer service, provide equity in the customer base, and create operational efficiencies.

The approved/authorized capital budget for the full Water Meter Renewal project is as follows:

2024 to 2026	$85.8 million
2027	$18.5 million
2028	$16.6 million
2029	$12.8 million
2030	$1.3 million
Total	$135.0 million

The work of this contract consists of the project management services, supply of AMI Radio Transmitters, supply and installation of AMI RF Network Infrastructure, AMI Software services, AMI Network services, and supply of non-mechanical water meters from Award until June 30, 2030.

The award of the installation contract under a separate RFP will be recommended in a separate administrative report in September 2026.

Procurement and Evaluation Criteria

The Supply of Advanced Metering Infrastructure and Water Meter Solution used a Negotiated Request for Proposal (NRFP) advertised on the MERX Canadian Public Tenders site.

This process is a multi-stage process with a gated approach to determine a Negotiation Proponent list. From that list, the City will enter into negotiations with the one or more Negotiation Proponents for the purpose of finalizing the Final Agreement.

Due to the large number of proponents, a short-listing stage (Stage 1.5) was added to reduce the number of Proponents to five and due to the extended timelines in the NRFP process and the requirement for Stage 1.5, in consultation with Purchasing, Stages 2, 3, and 4 were combined into a single stage (Stage 3) to expedite the process.

The NRFP process proceeded in the following stages:

1. Stage 1 – Intent to Bid
2. Stage 1.5 – Short List
3. Stage 3 – Written Response Demonstration, Pricing Proposal
4. Stage 5 – Negotiations

The NRFP process for Stages 1 to 3 began on August 27, 2025, and concluded on February 5, 2026, with demonstrations taking place the week of March 9, 2026. Table 1 below summarizes each stage of the process, including the applicable issue and closing or demonstration dates, the number of proponents at each stage, and the outcome of that stage.

Table 1 – NRFP Process Timeline and Stage Outcomes

Stage	Description	Issued Date	Closed Date	Number of Proponents / Responses	Number of Compliant / Qualified	Outcome
Stage 1	Initial NRFP issued	27-Aug-25	18-Sep-25	11 bidders	10 compliant proponents	Proceeded to short-listing due to high number of compliant proponents
Stage 1.5	Short-listing stage added	9-Oct-25	28-Oct-25	10 responses received	5 shortlisted	Reduced field from 10 proponents to 5 shortlisted proponents
Stage 3	Combined stages 2, 3, and 4	11-Dec-25	5-Feb-26	4 responses received from 5 shortlisted proponents	3 compliant responses after 1 disqualified	Evaluated written response, environmental, social, demonstration, and pricing

The Stages were each assigned the evaluation criteria as outlined in NRFP – Schedule A and scored accordingly as shown in Table 2:

Table 2 – Evaluation Criteria and Scoring

Stage	Component	Points	ICONIX Waterworks	Proponent 2	Proponent 3
Stage 1	Intent to Bid	N/A			
Stage 1.5	Short List Criteria	23.00	**19.12**	18.18	17.59
Stage 3	Written Response	25.50	**17.56**	17.79	12.07
	Environmental Procurement	1.00	**0.17**	0.35	0.03
	Social Procurement	0.50	**1.00**	1.00	0.71
	Demonstration	25.00	**22.47**	21.11	18.59
	Pricing Proposal (Total Cost of Ownership)		**$72,598,850.45**	$97,355,500.33	$104,463,175.23
	Pricing Proposal	25.00	**25.00**	18.60	13.00
Stage 5	Negotiations	NA			
Total		100.00	**85.32**	77.08	61.95

Total Cost of Ownership was a cost model that included 20 years of Software as a Service, Network as a Service, Innovation Science and Economic Development (ISED) Licensing costs, City labour costs for items replacement under, and hardware replacement costs for warranty related during the pro-rated warranty period, this pricing did not include GST and MRST as applicable.

While this value was used for evaluation purposes, the Capital 5-year cost will be used for initial contract term value and was the basis for the affordability threshold of $71,000,000.00.

Using the scores from each stage, the City entered into the Stage 5 – Negotiations of the process with ICONIX Waterworks with a bid price for Total Cost of Ownership of $72,598,850.45 to become the first Negotiation Partner, on April 14, 2026.

Company Background

ICONIX Waterworks is a Canadian-owned supplier and distributor of waterworks products and related infrastructure solutions serving municipal and utility clients across Canada. As part of the Deschênes Group, a privately owned Canadian company, ICONIX Waterworks has an established national presence and experience supporting Canadian public infrastructure projects. ICONIX Waterworks is also the Canadian distributor for Kamstrup water metering solutions, further strengthening its position in the municipal water sector through access to advanced metering products and related support capabilities.

For local service delivery, ICONIX Waterworks maintains a distribution presence in Winnipeg, Manitoba, which provides added value through local inventory access, regional support, and improved responsiveness for project coordination and material supply. This local Winnipeg distribution capability, combined with Canadian ownership, national distribution reach, and its role as distributor for Kamstrup water metering solutions in Canada, supports the company's ability to service municipal projects in a reliable and timely manner.

Product Manufacturing

Kamstrup is a Danish company with a long history in metering technology, founded in 1946 and headquartered in Denmark. Over several decades, the company has developed into a recognized supplier of smart metering solutions for water utilities, with a business focus on ultrasonic metering, communications infrastructure, and supporting software. Kamstrup's heritage in Denmark and its long operating history support its reputation as an established and specialized provider in the advanced metering sector.

Kamstrup also maintains established manufacturing operations in Stilling, Denmark, where it has invested in highly automated production, and in Cumming, Georgia, which serves as its North American headquarters and manufacturing facility. This manufacturing footprint is relevant from a project delivery perspective, as it demonstrates both an established European production base and North American manufacturing capacity to support supply, delivery, mitigate risk, and customer service requirements.

Award Details

The pricing proposal was evaluated using a 20-year Total Cost of Ownership model to compare proponents on a common lifecycle-cost basis. That evaluation model included long-term operating and support costs such as Software as a Service, Network as a Service, ISED licensing, City labour for replacement activities, and hardware replacement costs during the prorated warranty period in years 16 to 20.

However, the contract award being requested in this report reflects only the costs for the initial project term (date of award until June 30, 2030) and the amounts to be committed at this time through the Capital and Current Annual Budgets. As a result, the Total Cost of Ownership used

for evaluation is higher than the capital and operating funding amounts being requested for award.

The contract total is split between capital and operating as follows:

Capital Expenditure:	$59,418,534.34, GST and MRST extra as applicable
Operating Expenditure:	$2,733,984.20, GST and MRST extra as applicable
Total Contract Award Value:	$62,152,518.54, GST and MRST extra as applicable

The total capital cost associated with this contract award, including the contract work and 7 percent Manitoba Retail Sales Tax will be $63,577,831.74 which is within the capital budget provided. The total estimated cost shown in the financial status table also includes previous awards and expenditures for the capital project.

The total current operating cost associated with this contract award, including contract work and 7 percent Manitoba Retail Sales Tax will be $2,925,363.09, which is within the current operating budget provided. The combined total cost associated with this contract award, including contract work and 7 percent Manitoba Retail Sales Tax will be $66,503,194.83.

The Public Service is satisfied that ICONIX Waterworks has the necessary resources to perform all of the work in accordance with the requirements of the specifications. The proponent has satisfactorily carried out previous supply and construction works of a similar nature.

The recommended Contractor has a workplace safety and health program. This meets the requirements of The Workplace Safety and Health Act (Manitoba), as confirmed in a letter dated May 1, 2026, from an independent reviewer acceptable to the City.

The requirements for Bid and Contract Securities were waived for this purchase in accordance with the authority delegated to the Manager of Purchasing.

The financial status of the Water Meter Renewals project is as follows:

Authorized Capital		$ 85,818,000.00
Amount of Previous Awards or Expenditures	$ 5,035,713.00	
Amount of this Award	59,418,534.34	
Est. Engineering Cost	-	
Est. Manitoba Retail Sales Tax	4,159,297.40	
Est. Self Assessed MRST	-	
Corporate Interest Charges	-	
Corporate Administrative Charges	-	
Total Estimated Cost	$ 68,613,544.74	$ 68,613,544.74
Estimated Residual for Remaining Projects		$ 17,204,455.26

The bid recommended for acceptance is the most advantageous bid meeting all requirements of the specifications. This offer is open for acceptance until October 30, 2026.

Work will not commence prior to the award of contract.

FINANCIAL IMPACT

Financial Impact Statement

Date: July 13, 2026

Project Name:

AWARD OF CONTRACT FOR SUPPLY OF ADVANCED METER INFRASTRUCTURE AND WATER METER SOLUTION
NEGOTIATED REQUEST FOR PROPOSAL NO. 497-2025

First Year of Program **2026**

	2026	2027	2028	2029	2030
Capital					
Capital Expenditures Required	$ 4,633,368	$ 14,700,543	$ 18,627,123	$ 16,482,325	$ 9,134,472
Less: Existing Budgeted Costs	4,633,368	14,700,543	18,627,123	16,482,325	9,134,472
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 554,135	$ 598,746	$ 575,301	$ 593,553	$ 603,629
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ 554,135	$ 598,746	$ 575,301	$ 593,553	$ 603,629
Less: Existing Budget Amounts	554,135	598,746	575,301	593,553	603,629
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Funds for this project are available in the Approved Capital Budgets for Water Meter Renewals, Account Distribution No. 443 181000 200751 2001003424, and Current 2026 Adopted and 2027-2030 Forecasted Budget for Water Meters, Account Distribution No. 443 541045 201307 999. This project is financed by the Water Meter Renewal Reserve.

Tanis Yanchishyn, CPA, CA
Tanis Yanchishyn, CPA, CA
Manager of Finance and Administration

bah
29-Jun-26

CONSULTATION

This Report has been prepared in consultation with:

- Legal Services Department (as to legal issues)
- Purchasing Division, Corporate Finance Department (as to procurement issues)

OURWINNIPEG POLICY ALIGNMENT

This report is in accordance with the OurWinnipeg 2045 policies through:

Goal: Leadership and Good Governance
Objective 1: Establish and implement priority actions through evidence-informed decision-making processes.

> Policy 1.6 Results-Based Budgeting: Invest in City resources in prioritized, proactive, long-term community-beneficial outcomes.

Goal: Environmental Resilience:
Objective 1: Prioritize the transition to a resilient, low-carbon future through demonstrated organizational and community leadership, and collaborative actions that mitigate and adapt to a changing climate.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

This report aligns with Winnipeg Climate Action Plan as follows:

Strategic Opportunity #1 - Corporate Leadership
Key Direction 1.2 Understand and Integrate Business and Economic Implications of Climate Action into Decision Making Processes.

Key Direction 1.5 Reduce Employee Vehicle Kilometers Travelled (VKT) and associated GHGs.

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

One of the guiding principles of the Poverty Reduction Strategy is to promote and maintain the welfare of all residents. By transitioning to the Advanced Metering System, the City will receive accurate and timely reads reducing estimated and high bills due to incorrect information, will allow for timelier leak detection notification preventing unexpected large bills related, and will help facilitate the transition to monthly billing to assist in household budgeting.

SUBMITTED BY

Department: Water and Waste
Division: Finance and Administration
Prepared by: Duy Doan, C.E.T., AMS Project Manager
Date: July 17, 2026
File No.: W-1096