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

REPORTS

Item No. 3 Request for First Charge Against The 2027 Capital Budget for Water and Waste Department Capital and Award of Contract for the Water Meter and AMI Radio Transmitter Installation Contractor Negotiated Request for Proposal No. 795-2025

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

1. That expenditures of up to $10,000,000.00 be authorized in 2026, prior to the adoption of the 2027 Capital Budget, as a first charge against the Waterworks System Fund, in accordance with subsection 288(2) of the City of Winnipeg Charter, to allow the full award of NRFP No. 795-2025 for the Water Meter and AMI Radio Transmitter Installation Contractor to ensure timely delivery of the project.

2. That the City award a contract to Neptune Technology Group Canada Co., who submitted the most advantageous offer, to provide the Water Meter and AMI Radio Transmitter Installation Contractor services at total cost of $23,004,210.41, GST and MRST extra as applicable until June 30, 2030.

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

ADMINISTRATIVE REPORT

Title: Request for First Charge Against The 2027 Capital Budget for Water and Waste Department Capital and Award of Contract for the Water Meter and AMI Radio Transmitter Installation Contractor
Negotiated Request for Proposal No. 795-2025

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

AUTHORIZATION

Author	Department Head	CFO	CAO
T. Yanchishyn, CPA, CA, Manager of Finance and Administration	M. Szmon, P. Eng. Acting Director, Water and Waste Department	J. Speidel Acting Chief Financial Officer	J. Dunford

EXECUTIVE SUMMARY

Council approval is required before the adoption of the 2027 Capital Budget to award the contract in a timely manner for the Water Meter Renewals – Advanced Metering System project that will be funded from the 2027 Capital Budget.

Upon approval of a first charge against the 2027 Capital Budget for this project, the Public Service recommends that the Negotiated Request for Proposal (NRFP) No. 795-2025 for the Water Meter and AMI Radio Transmitter Installation Contractor be awarded to Neptune Technology Group Canada Co. with a total cost of $23,004,210.41, GST and MRST extra as applicable. This amount will be offset by an estimated meter disposal credit (scrap metal) of $976,445.12. The term of the contract is until June 30, 2030.

This contract will be funded from the approved Capital Budgets for Water Meter Renewals. The recommendation of this report complies with the Purchasing Policy and applicable trade agreements.

RECOMMENDATIONS

1. That expenditures of up to $10,000,000.00 be authorized in 2026, prior to the adoption of the 2027 Capital Budget, as a first charge against the Waterworks System Fund, in accordance with subsection 288(2) of the City of Winnipeg Charter, to allow the full award of NRFP No. 795-2025 for the Water Meter and AMI Radio Transmitter Installation Contractor to ensure timely delivery of the project.

2. That the City award a contract to Neptune Technology Group Canada Co., who submitted the most advantageous offer, to provide the Water Meter and AMI Radio Transmitter Installation Contractor services at total cost of $23,004,210.41, GST and MRST extra as applicable until June 30, 2030.

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

REASON FOR THE REPORT

Council approval is required for a first charge for expenditures of Capital funds prior to the adoption of the 2027 Capital Budget, not exceeding in total 30 percent of the expenditures estimated in the City's operating and capital budgets for the previous fiscal year.

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 expenditures on future budgets, Council approval is required pursuant to the Purchasing Policy F1-003.

IMPLICATIONS OF THE RECOMMENDATIONS

The recommendations, if approved, will allow a first charge on the 2027 Capital Budget to permit the full award of the Water Meter and AMI Radio Transmitter Installation Contractor contract prior to the adoption of the 2027 Capital Budget.

Funds in the amount of $18,455,000 are included in the 2027 forecast for the 2026 Capital Budget submission for the Water Meter Renewals, Account Distribution No. 443 181000 200751 2001003424. The funding source for the Water Meter Renewal capital budget is the Water Meter Renewal Reserve. Up to $10,000,000 is requested for the First Charge. Following the first charge, the adopted budget will be $95,818,000.

The total contract award value is $23,004,210.41, GST and MRST extra as applicable, with an offset by a meter disposal credit estimated at $976,445.12.

Following award of this contract, $3,527,495.98 will remain available from total funds in the amount of $95,818,000.00 which includes the First Charge request of $10,000,000.00 and $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.

Subsequent budget authorizations in 2027-2030 will increase the total project budget to $135,000,000.

Economic Impact Analysis (EIA)

The estimated direct and indirect economic impact of this expenditure for each of three proponents are the following:

Economic Impact	Manitoba	Rest of Canada
Gross Domestic Product (GDP)	$18.8 million	$0.5 million
Person Years of Employment	196	2
Federal Government Tax Revenue	$2.4 million	$0.1 million
Provincial Government Tax Revenue	$3.2 million	N/A

Source: Statistics Canada. Table 36-10-0595-01 Input-output multipliers, detail level, Table: 36-10-0713-01 Labour productivity and related measures, by province, territory, and industry and, the City of Winnipeg interprovincial input-output model using the Statistics Canda framework[1].

The evaluated expenditure for this project is $22.1 million. 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 insurance carriers [BS524100], softwood lumber (except tongue and groove and other edge worked lumber) [MPG321102], metal valves and pipe fittings [MPG332A02] and the jobs to compensation of employees ratio for residential building construction from table 36-10-0713-01 were used to assess this investment. 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.

[1] Ziad, G. 2010. *The Canadian and Inter-Provincial Input-Output Models: The Mathematical Framework,* Ottawa, 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 Advanced Metering Infrastructure (AMI) to address billing accuracy, improve customer service, provide equity in the customer base, and create operational efficiencies.

The work of this contract consists of project management services and installation of AMI Radio Transmitters and water meters from Award until June 30, 2030.

Procurement and Evaluation Criteria

The Water Meter and AMI Radio Transmitter Installation Contractor contract used a 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 negotiations with the one or more Negotiation Proponents for the purpose of finalizing the Final Agreement.

[1] Ziad, G. 2010. *The Canadian and Inter-Provincial Input-Output Models: The Mathematical Framework,* Ottawa, Statistics Canada.

The NRFP process proceeded in the following five stages:

1. Stage 1 – Intent to Bid;
2. Stage 2 – Short List;
3. Stage 3 – Demonstration;
4. Stage 4 – Pricing Proposal; and
5. Stage 5 - Negotiations

The NRFP process for Stages 1 to 4 started November 6, 2025, with Stage 4 closing on May 1, 2026, with the timeline as shown in Table 1:

Table 1 – NRFP Process Timeline and Stage Outcomes

Stage	Description	Issue Date	Close Date / Demonstration Date	Number of Proponents	Outcome
Stage 1 – Intent to Bid	Initial NRFP stage	6-Nov-25	Closed November 24, 2025	7	Proceeded to Stage 2
Stage 2 – Short List	Short list evaluation stage	5-Jan-26	Closed March 16, 2026	4	3 proponents shortlisted to Stage 3
Stage 3 – Demonstration	Demonstrations by the short-listed Proponents from Stage 2	2-Apr-26	Demonstrations held week of April 27, 2026	3	Proceeded to Stage 4
Stage 4 – Pricing Proposal	Pricing submission stage	9-Apr-26	Closed May 1, 2026	3	Final pricing received from remaining proponents

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

Total Evaluation Summary	Points	**Neptune Technology Group Canada Co.**	Proponent 2	Proponent 3
Stage 2 – Written Response	40.00	**34.78**	36.66	34.76
Environmental Procurement Response	5.00	**3.10**	2.62	4.05
Social Procurement Response	5.00	**0.00**	4.12	3.53
Stage 3 – Demonstration Evaluation Criteria	25.00	**23.45**	21.60	21.20
Pricing Proposal		**$22,027,765.29**	$28,162,579.17	$28,380,555.60
Stage 4 – Pricing Proposal	25.00	**25.00**	19.55	19.40
Total Scores	100.00	**86.32**	84.54	82.93

From the scores, the City entered the Stage 5 – Negotiations of the process with Neptune Technology Group Canada Co the first Negotiation Partner, on May 14, 2026, with a bid price of $22,027,765.29, GST and MRST extra as applicable.

Company Profile

Neptune Technology Group Canada Co (Neptune) is an experienced provider of water metering and AMI services, supporting large-scale municipal meter renewal and AMI deployment programs across Canada. Approximately 7 in 10 Canadian water utilities rely on Neptune as a water meter and AMI installation partner. Neptune has supported major municipal utilities including Toronto, Ottawa, Vancouver, Peel, Durham, Halifax, and EPCOR Edmonton, demonstrating experience in large and operationally-complex public sector utility environments.

For Winnipeg, Neptune's delivery model would emphasize a local installation team established specifically for the City's program and tailored to local requirements and service expectations. That team would be supported by Neptune's national workforce of more than 200 trained and certified water meter installers, together with experienced project management, technical, and customer service resources. This national capacity would support mobilization, training, mentoring, quality assurance, and surge capacity as required, while helping to mitigate workforce and schedule risks during implementation.

Award Details

The total capital cost associated with this contract award, including the contract work, seven percent Manitoba Retail Sales Tax, and estimated offset Meter Disposal Credit will be $23,638,060.02, which is within the budget capital provided. The Total Estimated Cost shown in the financial status table also includes previous awards and expenditures for the capital project. The Public Service is satisfied that Neptune Technology Group Inc. has the necessary resources to perform all 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 Certificate of Recognition (COR) Reciprocity provided by the Construction Safety Association of Manitoba, Certification No. 41206-26-E.

The requirements for Bid Security 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			$ 95,818,000.00
Amount of Previous Awards or Expenditures	$	68,652,444.00	
Amount of this Award		23,004,210.41	
Est. Engineering Cost		-	
Est. Manitoba Retail Sales Tax		1,610,294.73	
Est. Meter Disposal Credit		(976,445.12)	
Corporate Interest Charges		-	
Corporate Administrative Charges		-	
Total Estimated Cost	$	92,290,504.02	$ 92,290,504.02
Estimated Residual for Remaining Projects			$ 3,527,495.98

The bid recommended for acceptance is the most advantageous bid meeting all requirements of the specifications. This offer is open for acceptance until November 10, 2026.

Work will not commence prior to the award of contract.

FINANCIAL IMPACT

Financial Impact Statement

Date: DIR office enters date

Project Name:

First Year of Program **2026**

REQUEST FOR FIRST CHARGE AGAINST THE 2027 CAPITAL BUDGET FOR WATER AND WASTE DEPARTMENT CAPITAL AND AWARD OF CONTRACT FOR THE WATER METER AND AMI RADIO TRANSMITTER INSTALLATION CONTRACTOR
NEGOTIATED REQUEST FOR PROPOSAL NO. 795-2025

	2026	2027	2028	2029	2030
Capital					
Capital Expenditures Required	$ 484,444	$ 6,099,074	$ 7,108,434	$ 6,553,740	$ 3,392,367
Less: Existing Budgeted Costs	484,444	6,099,074	7,108,434	6,553,740	3,392,367
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	$ -	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ -	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	-	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Approval of Recommendation #1 will allow a first charge of $10,000,000 on the 2027 Capital Budget to permit the award of this contract prior to the adoption of the 2027 Capital Budget. Funds for this project are available in the Capital Budget for Water Meter Renewals, Account Distribution No. 443 181000 200751 2001003424. This project is financed by the Water Meter Renewal Reserve. Capital Expenditures include the estimated Meter Disposal Credit.

bah
30-Jun-26

Tanis Yanchishyn, CPA, CA
Manager of Finance and Administration

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 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 meter reading to reduce estimated and high bills due to incorrect information, will allow for timely leak detection notification preventing unexpected large bills , 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 16, 2026
File No.: W-1096

ATTACHMENT:
Appendix A: Detail Sheet