Oakland County Water Resource Commissioner Office Water Maintenance Division One Public Works Drive Building 95W Waterford Twp. MI 48328

Dallued Partner,

reciate the longstanding partnership we have forged together, and we look forward to continuing that for many years to so you have likely experienced with other products and vendors, the supply chain environment has created unique chain ges unlike any that has been seen in modern times. Raw material costs have inflated exponentially, and to Neptune's credit, they have been willing to do what is necessary to minimize delivery disruption of their metering products. With that, they have added unforeseen costs during the pandemic and the ongoing supply chain disruption. In the letter from Neptune attached hereto, Neptune outlines their position and they have implemented across the board price increases on nearly all products. With that said, please see attached proposed amended pricing for the contract to finish out year 3, which is up for consideration of an extension at the end of November 2022. At that time, we can work collaboratively with Neptune to secure the best pricing they are willing to provide to continue the partnership for the duration of the extension. Again, we appreciate Oakland County WRC being a truly valued metering partner and we are eager to continue to work together for many years to come.

Regards

Matthew Rizzo

Director, Meter and Automation Ferguson Waterworks

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Dear Valued Neptune Customer:

After much consideration, we at Neptune Technology Group have judged it necessary to increase our prices to keep pace with our rising costs in raw materials, shipping, and operating costs. Our price increase will be effective on January . Any orders January 1 will be subject to current pricing and terms.

Included with this letter is a Frequently Asked Questions (FAQs) document that will explain how our business has been affected, just as all others in our industry, with inflationary pressures. If you have any questions not addressed in the FAQs, please feel free to contact your Neptune sales representative. This was a difficult, but necessary decision to make; and we understand how it impacts our customers. Therefore, we would like to express our appreciation for your ongoing support, and we are confident these changes will help us to continue providing you with the quality products and services that help you, our valued customers.

#WinYourDay. Regards, Sam Mitchell Territory Manager Michigan / Ohio



Neptune Price Increase Frequently Asked Questions (FAQs)

Your price increase letter references "rising costs in raw materials, shipping, and operating costs" can you explain to what extent you are affected?

As reported by the <u>Bureau of Labor Statistics</u>, the average annual inflation rate for the United States has risen to 5.4%. This number is an aggregate of all economic activity in the United States. In Neptune's sector, we are primarily driven by the following economic areas: raw materials

(copper), wages, and freight. Let's drill down into each of these areas (as found at <u>US Bureau of Labor Statistics</u> and <u>Cass Information Systems</u>):

- Raw materials PPI Index for Metal Products Copper Base Castings USBLS
- o Inflation September 2021 versus September 2020 was 29.9%
- o Pre-Covid Inflation (March 2020 versus March 2019) was -1.62%
- Wages Employment Cost Index Wages and salaries for private industry workers in all industries and occupations USBLS
- o Inflation August 2021 versus August 2020 was 9.49%
- o Pre-Covid Inflation (March 2020 versus March 2019) was 2.8%
- Freight Cass Freight Index Cass Information Systems
- o Inflation September 2021 versus September 2020 was 31.4%
- o Pre-Covid Inflation (March 2020 versus March 2019) was 1%

As you can see, our business environment has been significantly affected by inflationary pressure. This pressure is much higher than the 5.4% reported as the aggregate inflation rate.

Why is this price increase happening now?

In the time since our last price increase Neptune has absorbed the pricing pressure that we documented above. We absorbed that pricing pressure so we would not impact your vital business. However, we have reached a point where we are required to raise pricing so that we can maintain the same levels of quality and service that you, as our valued partner, appreciate.

Should I expect further price increases from Neptune?

Economists generally agree that we will continue to see higher than average inflationary pressure throughout 2022 and into 2023. Our current price increase anticipates short-term inflationary pressure, and we will re-evaluate pricing levels as it becomes necessary.

Number	Item Description	Year 1	Year 2	Year 3	Year 3 Amended	Year 4	Quantity
Meters,							
1	Neptune R900 Wall Meter Interface Unit	\$88.18	89.94	\$ 91.74	\$ 92.50	\$ 96.00	each
2	Neptune R900 Wall Meter Interface Unit (500+)	\$83.25	84.92	86.61	\$ 87.50	\$ 93.00	each
3	Neptune R900 Wall Meter Interface Unit (40,000+)	78.25	78.25	78.25	\$ 82.50	\$ 89.50	each
4	Neptune R900 Pit Meter Interface Unit w/6' of wire	\$ 105.00	\$ 107.10	\$ 109.24	\$ 115.00	\$ 165.00	each
5	CMIU Neptune Verizon - Wall Unit w/6' of wire	\$ 375.00	\$ 382.50	\$ 390.15		N/A	each
6	CMIU Neptune Verizon - Pit Unit w/6' of wire	\$ 425.00	\$ 433.50	\$ 442.17		N/A	each
7	Cable (from meter to meter Interface Unit) per 1'	\$ 0.12	\$ 0.12	\$ 0.12		\$ 0.20	each
8	5/8" by 3/4" Disc Meter ED2B11RPEF11	\$ 99.00	\$ 100.98	\$ 103.00	\$ 111.50	\$ 119.75	each
9	3/4" by 1" Disc Meter ED2E11RPEF11	\$ 133.00	\$ 135.66	\$ 138.37	\$ 142.50	\$ 165.00	each
10	1" Disc Meter ED2F11RPEF11	\$ 185.00	\$ 188.70	\$ 192.47	\$ 200.00	\$ 230.00	each
11	1-1/2" Disc Meter Oval Flange ED2H11RPEF11	\$ 385.00	\$ 392.70	\$ 400.55	\$ 445.00	\$ 575.00	each
12	2" Disc Meter Oval Flange ED2J11RPEF11	\$ 510.00	\$ 520.20	\$ 530.60	\$ 595.00	\$ 765.00	each
13	2" Truflo Compound EC2ARPH11	\$ 1,569.86	\$ 1,601.26	\$ 1,633.28	\$ 1,750.00	\$ 1,750.00	each
14	3" Truflo Compound EC3BRPHF21	\$ 2,150.00	\$ 2,193.00	\$ 2,236.86	\$ 2,425.00	\$ 2,700.00	each
15	4" Truflo Compound EC3CRPHF21	\$ 2,925.00	\$ 2,983.50	\$ 3,043.17	\$ 3,250.00	\$ 3,450.00	each
16	6" Truflo Compound EC3DRPHF21	\$ 4,423.00	\$ 4,511.46	\$ 4,601.69	\$ 5,450.00	\$ 5,700.00	each
17	5/8" by 3/4" Mach 10	\$ 162.00	\$ 165.24	\$ 168.54	\$ 190.00	\$ 195.00	each
18	3/4" by 1" Mach 10	\$ 175.00	\$ 178.50	\$ 182.07	\$ 210.00	\$ 215.00	each
19	1" Disc Meter - Mach 10	\$ 220.00	\$ 224.40	\$ 228.89	\$ 262.50	\$ 269.00	each
20	1-1/2" Oval Flange - Mach 10	\$ 525.00	\$ 535.50	\$ 546.21	\$ 600.00	\$ 625.00	each
21	2" Disc Meter LL Oval Flange - Mach 10	\$ 635.00	\$ 647.70	\$ 660.65	\$ 700.00	\$ 725.00	each
22	2" Truflo Compound LL - Mach 10	\$ 1,569.86	\$ 1,601.26	\$ 1,633.28	\$ 700.00	\$ 725.00	each
23	3" Truflo Compound LL- Mach 10	\$ 2,150.00	\$ 2,193.00	\$ 2,236.86	\$ 2,425.00	\$ 2,550.00	each
24	4" Truflo Compound LL- Mach 10	\$ 2,925.00	\$ 2,983.50	\$ 3,043.17	\$ 3,250.00	\$ 3,275.00	each
25	6" Truflo Compound LL- Mach 10	\$ 4,423.00	\$ 4,511.46	\$ 4,601.69	\$ 5,450.00	\$ 5,625.00	each
26	4" F/S Turbine ET7C1RPHF11	\$ 4,819.18	\$ 4,915.56	\$ 5,013.87	\$ 5,250.00	N/A	each
27	6" F/S Turbine ET7D1RPHF11	\$ 7,536.99	\$ 7,687.73	\$ 7,841.48	\$ 8,000.00	N/A	each
28	2" HPTurbine ET4AR6F7	N/A	N/A	N/A	N/A	N/A	each
29	2" HPTurbine ET4ARPHF21	\$ 665.00	\$ 678.30	\$ 691.87	\$ 725.00	\$ 915.00	each
30	3" HPTurbine ET4BRPHF21	\$ 1,100.00	\$ 1,122.00	\$ 1,144.44	\$ 1,150.00	\$ 1,575.00	each
31	4" HPTurbine ET4CRPHF21	\$ 1,336.00	\$ 1,362.72	\$ 1,389.97	\$ 1,500.00	\$ 1,850.00	each
32	6" HPTurbine ET4DRPHF21	\$ 2,450.00	\$ 2,499.00	\$ 2,548.98	\$ 2,750.00	\$ 3,450.00	each
33	8" HPTurbine ET4ERPHF21	\$ 3,450.00	\$ 3,519.00	\$ 3,589.38	\$ 3,750.00	\$ 4,975.00	each
34	8" SS HP Protectus III W / 2" Bypass - Procoder	\$15,500.00	\$15,810.00	\$16,126.20	\$18,500.00	\$ 22,500.00	each
35	10" SS HP Protectus III W / 2" Bypass - Procoder	\$19,336.80	\$19,723.54	\$20,118.01	\$22,500.00	\$ 26,500.00	each
36	3" Strainer Kit	\$ 7.00	\$ 7.14	\$ 7.28	\$ 7.28	\$ 18.00	each
37	4" Strainer Kit	\$ 12.00	\$ 12.24	\$ 12.48	\$ 12.48	\$ 31.00	each
38	6" Strainer Kit	\$ 23.00	\$ 23.46	\$ 23.93	\$ 23.93	\$ 79.00	each
39	8" Strainer Kit	\$ 36.00	\$ 36.72	\$ 37.45	\$ 37.45	\$ 108.00	each
40	10" Stainer Kit - 9605-006	\$ 45.00	\$ 45.90	\$ 46.82	\$ 46.82	\$ 129.00	each
41	3" Bronze Strainer	\$ 695.00	\$ 708.90	\$ 723.08	\$ 750.00	\$ 803.00	each
42	4" Bronze Strainer	\$ 925.00	\$ 943.50	\$ 962.37	\$ 1250.00	\$ 1,415.00	each
43	6" Bronze Strainer	\$ 1,800.00	\$ 1,836.00	\$ 1,872.72	\$ 2,000.00	\$ 2,150.00	each
44	3" Gasket Only	\$ 3.00	\$ 3.06	\$ 3.12	\$ 3.12	\$ 1.93	each
45	4" Gasket Only	\$ 4.00	\$ 4.08	\$ 4.16	\$ 4.16	\$ 2.72	each
46	6" Gasket Only	\$ 8.00	\$ 8.16	\$ 8.32	\$ 8.32	\$ 4.37	each
47	8" Gasket Only	\$ 10.00	\$ 10.20	\$ 10.40	\$ 10.40	\$ 7.36	each

48	3" Bronze Flange Kit - NSF61 No Lead Bronze	\$ 501.28	\$ 511.31	\$ 521.53	\$ 521.53	\$ 270.00	each
49	4" Bronze Flange Kit - NSF61 No Lead Bronze	\$ 696.22	\$ 710.14	\$ 724.35	\$ 724.35	\$ 350.00	each
50	6" Bronze Flange Kit - NSF61 No Lead Bronze	\$ 1,113.95	\$ 1,136.23	\$ 1,158.95	\$ 1,158.95	\$ 600.00	each
51	R-900 Gateway Data Collector V4 Cellular (RF	\$ 7,534.25	\$ 7,684.94	\$ 7,838.63	\$ 7,838.63	\$ 10,000.00	each
52	R-900 Gateway - 220W Solar Collector System	\$ 4,452.05	\$ 4,541.09	\$ 4,631.91	\$ 4,631.91	\$ 5,175.00	each
53	R-900 Gateway - 220W Solar Collector System	\$ 4,452.05	\$ 4,541.09	\$ 4,631.91	\$ 4,631.91	\$ 5,175.00	each
54	R-900 Gateway UPS - outdoor system assembly	\$ 2,054.79	\$ 2,095.89	\$ 2,137.80	\$ 2,137.80	\$ 2,800.00	each
55	R-900 Gateway RF antenna 13146-100	\$ 397.26	\$ 405.21	\$ 413.31	\$ 413.31	\$ 440.00	each
56	R-900 Gateway stand, ballast roof mount 13068-001	\$ 1,232.88	\$ 1,257.54	\$ 1,282.69	\$ 1,282.69	\$ 1,492.00	each
57	R-900 Gateway rubber pad, roof mount stand	\$ 282.19	\$ 287.83	\$ 293.59	\$ 293.59	\$ 313.00	each
58	R-900 Gateway pole antenna mounting bracket	\$ 82.19	\$ 83.83	\$ 85.51	\$ 85.51	\$ 91.00	each
59	R-900 Gateway antenna 25" standoff bracket	\$ 342.47	\$ 349.32	\$ 356.31	\$ 356.31	\$ 380.00	each
60	R-900 Gateway wall antenna mounting bracket	\$ 136.99	\$ 139.73	\$ 142.52	\$ 142.52	\$ 152.00	each
61	R-900 Gateway data collector - annual maintenance	1068.49	\$ 1,089.86	\$ 1,111.66	N/A	N/A	each
62	Trimble Ranger 3 - XE w/HR2650i Receiver	\$ 7,534.25	\$ 7,684.94	\$ 7,838.63	N/A	N/A	each
63	Trimble Ranger 3 - Cradle	\$ 513.70	\$ 523.97	\$ 534.45	N/A	N/A	each
64	Trimble Ranger 3 - Power Module	\$ 410.96	\$ 419.18	\$ 427.56	N/A	N/A	each
65	Trimble Ranger 3 - Replacement Battery	\$ 315.07	\$ 321.37	\$ 327.80	N/A	N/A	each
66	Trimble Ranger 3 - 12v Vehicle Charger	\$ 273.97	\$ 279.45	\$ 285.04	N/A	N/A	each
67	R900 Bluetooth Beltclip Receiver v3 - 13302-100	\$ 2,400.00	\$ 2,448.00	\$ 2,496.96	\$ 5,500.00	\$ 5,600.00	each
68	6' Antenna Assembly - 12527-100	\$ 27.40	\$ 27.95	\$ 28.51	\$ 28.51	\$ 33.35	each
69	13749-200 Antenna Assy. 6' Cabel Encoder R900 Pit	\$ 27.40	\$ 27.95	\$ 28.51	\$ 28.51	\$ 33.35	each
70	13443-000 Direct Mount V3	\$ 10.00	\$ 10.20	\$ 10.40	\$ 10.40	\$ 10.40	each
71	AMI System Collection Installation and	\$13,300.00	\$13,566.00	\$13,837.32	\$13,837.32	Quote	each
72	AMI System Collection Installation and	\$14,454.00	\$14,743.08	\$15,037.94	\$15,037.94	Quote	each
73	AMI System Collection Installation and	\$14,118.00	\$14,400.36	\$14,688.37	\$14,688.37	Quote	each
74	AMI Gateway Site Testing - 100ft Crane	\$ 1,000.00	\$ 1,020.00	\$ 1,040.40	\$ 1,040.40	Quote	each
75	MRX920 MOBILE DATA COLL V4 - 13655-100	\$ 7,534.25	\$ 7,684.94	\$ 7,838.63	\$ 9,250.00	\$ 9,100.00	each
76	Most Current Neptune Parts List will be in effect.						each
77	Neptune Water Parts List - U676-25 Effective May 1,						% discount
78	RMA - Neptune Warranty Return - Pallet Shipped	\$250.00	\$250.00	\$250.00	\$250.00	\$ 400.00	each
	5/8" x 3/4" PIT Disc Meter Procoder					\$ 145.00	
	3/4" Short Lay Disc Meter Procoder (7.5" LL)					\$ 165.00	
	3" Mach 10 (12") Turbine LL					\$ 2,450.00	
	3" Mach 10 (17") Compound LL					\$ 2,550.00	
	4" Mach 10 (14") Turbine LL					\$ 3,150.00	
	4" Mach 10 (20") Compound LL					\$ 3,275.00	
	6" Mach 10 (18") Turbine LL					\$ 5,500.00	
	6" Mach 10 (24") Compound LL					\$ 5,625.00	
	8" Mach 10 Turbine LL					\$ 8,800.00	
	10" Mach 10 Turbine LL					\$ 11,000.00	
	12" Mach 10 Turbine LL					\$ 13,000.00	
	5/8" x 3/4" Disc Meter ProCoder R900i					\$ 222.00	
	3/4" Disc Meter (9"LL) ProCoder R900i					\$ 278.00	
	3/4" Short Lay Disc Meter (7.5"LL) ProCoder R900i					\$ 278.00	
	1" Disc Meter ProCoder R900i					\$ 352.00	
	1-1/2" Disc Meter Oval Flange ProCoder R900i					\$ 659.00	
	2" Disc Meter Oval Flange ProCoder R900i					\$ 858.00	
	2" Truflo Compound ProCoder R900i					\$ 2,080.00	
	3" Truflo Compound ProCoder R900i					\$ 2,949.00	

	4" Truflo Compound ProCoder R900i						\$	3,789.00	1	
	6" Truflo Compound ProCoder R900i						\$	6,168.00	i T	
	5/8" x 3/4" Mach 10 R900i						\$	306.00	,	
	3/4" Mach 10 R900i						\$	327.00	,	
	1" Mach 10 R900i						\$	388.00	i T	
	1-1/2" Mach 10 R900i						\$	715.00	i I	
	2" Mach 10 (17") R900i						\$	855.00	ı .	
	2" Mach 10 (15-1/4) R900i						\$	855.00	j l	
	3" Mach 10 R900i(12")							2,600.00		
	3" Mach 10 R900i(17")							2,650.00		
	4" Mach 10 R900i(14")							3,290.00		
	4" Mach 10 R900i(20")						_	3,395.00		
	6" Mach 10 R900i (18")						\$	5,450.00)	
	6" Mach 10 R900i (24")							5,600.00		
	·	13967-200					\$	129.25)	
	Mach 10 UME CF 3"	:U3G1F1					\$	1,350.0	J	
	Mach 10 UME CF 4"	:U3G1F2					\$	1,800.0)	
	Mach 10 UME CF 6"	:U3G1F3					\$	2,700.0)	
	Procoder inside Register only	:U3G1F4					\$	85.0)	
Meter Buy Back										
79	5/8" Meter Buy Back		\$2.00	\$2.00	\$2.00	\$2.00	\$	2.00	pe	er meter
80	1" Meter Buy Back		\$2.00	\$2.00	\$2.00	\$2.00	\$	2.00	pei	er meter
81	1-1/2" Meter Buy Back		\$2.00	\$2.00	\$2.00	\$2.00	\$	2.00	pe	er meter
82	2" Meter Buy Back		\$2.00	\$2.00	\$2.00	\$2.00	\$	2.00	pe	er meter
Neptune						•				
83	N Sight Plus - Annual Software Maintenance 10,000 - 20,000 Accounts 13722-002		\$ 3,500.00	N/A	N/A	N/A	N/A		А	Annual
84	N Sight Plus - Additional Software Seat 12951-001		\$ 500.00	N/A	N/A	N/A	N/A		А	Annual
85	Neptune 360 Advanced - Annual Subscription AMI 10,001-20,000 13812-209		\$ 2.13	\$2.13	2.13	2.13	Quote	9	А	Annual
86	Neptune 360 Advanced - Annual Subscription AMR 20,001-50,000 13812-210		\$ 1.97	\$1.97	1.97	1.97	Quote	9	А	Annual
87	Neptune 360 One Time Setup Fee Advanced - 13812-002		\$ 3,823.53	\$ 3,823.53	\$ 3,823.53	\$ 3,823.53	Quote	9		Fee
88	ARB N Sight Client software - annual maintenance		\$ 1,500.00	\$1,500	N/A	N/A	N/A		А	Annual
89	ARB N Sight host software - 3 years of maintenance		N/A	N/A	N/A	N/A	N/A		3	3 years

Water Parts Price List Form U676-25 (Replaces U676-24)

CONTENTS

