

ADVANCED METERING INFRASTRUCTURE - NETWORK AS A SERVICE

CITY OF MARCO ISLAND

PROFESSIONAL SERVICES AGREEMENT

PROJECT: ADVANCED METERING INFRASTRUCTURE – NETWORK AS A SERVICE

THIS AGREEMENT, dated _____, 2025 for identification purposes, is made and entered into by and between the CITY OF MARCO ISLAND, a municipal corporation, hereinafter designated as "CITY", and Ferguson Enterprises, LLC dba Ferguson Waterworks, hereinafter designated as "CONSULTANT."

NOW THEREFORE, THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. **SCOPE OF WORK.** The project is more particularly described as follows: provide the Neptune Network-as-a-Service, as more particularly described in Exhibit A attached hereto.
2. **INDEPENDENT CONTRACTOR.** CONSULTANT'S relationship to the CITY shall be that of an independent contractor. CONSULTANT shall have no authority, express or implied, to act on behalf of the CITY as an agent, or to bind the CITY to any obligation whatsoever, unless specifically authorized in writing by the CITY. CONSULTANT shall be solely responsible for the performance of its employees, agents, and subcontractors under this Agreement, including the training of each employee regarding the rights and responsibilities of an employer and employee for any potential discrimination or harassment claim under state or federal law. CONSULTANT shall report to the CITY any and all employees, agents, and consultants performing work in connection with this project, and all shall be subject to the approval of the CITY, which approval shall not be unreasonably withheld.
3. **Compliance with Laws.** CONSULTANT shall exercise due professional care to comply with applicable federal, state and local laws, rules, ordinances and regulations in effect as of the date CONSULTANT agrees to provide the Services. CONSULTANT's guests, invitees, members, officers, officials, agents, employees, volunteers, representatives, and subcontractors shall abide by the CITY'S policies, as well as all other reasonable work rules, safety rules, or policies, and procedures regulating the conduct of persons on CITY property, at all times while performing duties pursuant to this Agreement. CONSULTANT agrees and understands that a violation of any of these policies, procedures, or rules constitutes a breach of the Agreement and sufficient grounds for immediate termination of the Agreement by the CITY.
4. **INSURANCE.** The CONSULTANT, at its expense, shall procure and maintain in force for the duration of this Agreement the following minimum insurance coverages:
 - A. **General Liability.** The CONSULTANT agrees to maintain commercial general liability insurance in a minimum amount of \$1,000,000 per occurrence; \$2,000,000 annual aggregate. The policy shall cover liability caused by premises, operations, products completed operations, personal

ADVANCED METERING INFRASTRUCTURE - NETWORK AS A SERVICE

injury, advertising injury, and blanket contractual liability. The CITY shall be endorsed as additional insured.

B. Automobile Liability. If the CONSULTANT operates a motor vehicle in performing the Services under this Agreement, the CONSULTANT shall maintain commercial automobile liability insurance, including owned, hired, and non-owned automobiles, with a minimum liability limit of \$1,000,000 combined single limit.

C. Workers' Compensation. The CONSULTANT agrees to provide workers' compensation insurance for all its employees in accordance with the statutory requirements of the State of Florida. The CONSULTANT shall also carry employers' liability coverage with minimum limits are as follows:

- \$500,000- Bodily Injury by Disease per employee
- \$500,000- Bodily Injury by Disease aggregate
- \$500,000- Bodily Injury by Accident

The CONSULTANT shall, prior to commencing the Services, deliver to the CITY a Certificate of Insurance as evidence that the above coverages are in full force and effect.

The insurance requirements may be met through any combination of primary and umbrella/excess insurance.

The CONSULTANT'S policies shall be the primary insurance to any other valid and collectible insurance available to the CITY with respect to any claim caused by the CONSULTANT'S performance under this Agreement.

The CONSULTANT'S Certificate of Insurance shall contain a provision that coverage afforded under the policies shall not be cancelled without at least thirty (30) days advanced written notice to the CITY.

5. CONSULTANT'S INDEMNIFICATION OF CITY. To the greatest extent allowed by law, CONSULTANT shall indemnify, defend, and hold harmless the CITY and its officers, agents and employees against all third-party claims for damages to persons or property arising out of CONSULTANT's work, but only to the extent caused by

the negligent acts, errors or omissions or willful misconduct of the CONSULTANT, or its employees, agents, subconsultant's, or others in connection with the execution of the work covered by this Agreement. CONSULTANT'S indemnification shall include any and all costs, expenses, attorneys' fees, expert fees and liability assessed against or incurred by the CITY, its officers, agents, or employees in defending against such claims or lawsuits, whether the same proceeds to judgment or not.

CONSULTANT'S indemnification of CITY shall not be limited by any prior or subsequent declaration by the CONSULTANT.

ADVANCED METERING INFRASTRUCTURE - NETWORK AS A SERVICE

6. COMPENSATION. CONSULTANT'S compensation for all work performed in accordance with this Agreement, shall not exceed the total contract price of \$5.64 per meter/per year NaaS fee. For total estimated cost(s) reference quotation in Exhibit B. Payment will be made within thirty (30) days after receipt of an invoice.

The contract price is based on the following rates:

No work shall be performed by CONSULTANT in excess of the total contract price without prior written approval of the CITY. CONSULTANT shall obtain approval by the CITY prior to performing any work that results in incidental expenses to CITY.

7. TIMING REQUIREMENTS. Time is of the utmost importance in the performance of work under this Agreement and the timing requirements shall be strictly adhered to unless otherwise modified in writing. All work shall be completed in every detail to the satisfaction of the CITY. The "Initial Term" of this Agreement is ten years, with a 24-month activation. Written acceptance of this agreement by both parties will designate a "Notice to Proceed" to CONSULTANT to begin the installation of the fixed network infrastructure. This process is estimated to take between 3 – 9 months. Upon completion of the fixed network infrastructure and its activation by third party (Neptune / Senet), CONSULTANT will notify the CITY of this completion and identify the official start date of the 10-year contract. The date of completion shall be extended for any delays beyond the reasonable control of CONSULTANT including but not limited to extreme weather conditions, acts of God, war, labor difficulties, accidents, inability to obtain materials, inability to gain access to properties, delays of carriers, contractors or suppliers, deteriorated condition of existing pipes and/or connections requiring non-standard installation as defined herein or any other causes of any kind whatever beyond the control of CONSULTANT.

8. ENTIRE AGREEMENT. This Agreement, including the Exhibits hereto, comprises the entire integrated understanding between CITY and CONSULTANT concerning the work to be performed for this project and supersedes all prior negotiations, representations, or agreements. In no event shall either party be liable for any incidental, punitive, special or consequential damages hereunder, even if advised of the possibility of such.

9. INTERPRETATION OF THE AGREEMENT. The interpretation, validity and enforcement of the Agreement shall be governed by and construed under the laws of the State of Florida. The Agreement does not limit any other rights or remedies available to CITY.

The CONSULTANT shall be responsible for complying with all applicable local, state, and federal laws whether or not said laws are expressly stated or referred to herein.

Should any provision herein be found or deemed to be invalid, the Agreement shall be construed as not containing such provision, and all other provisions, which are otherwise lawful, shall remain in full force and effect, and to this end the provisions of this Agreement are severable.

10. AGREEMENT MODIFICATION. This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by the parties hereto.

ADVANCED METERING INFRASTRUCTURE - NETWORK AS A SERVICE

11. TERMINATION OF AGREEMENT. Either party may terminate this Agreement by providing thirty (30) days written notice to the other party. If any portion of the work is terminated or abandoned by the CITY, then the CITY shall pay CONSULTANT for any work completed up to and including the date of termination or abandonment of this Agreement. The CITY shall be required to compensate CONSULTANT only for work performed in accordance with the Agreement up to and including the date of termination.

12. SIGNATURES. The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity and authority to enter into and to execute this Agreement on behalf of the respective legal entities of the CONSULTANT and the CITY.

IN WITNESS WHEREOF, the parties hereto for themselves, their heirs, executors, administrators, successors, and assigns do hereby agree to the full performance of the covenants herein contained and have caused this Professional Services Agreement to be executed by setting hereunto their signatures on the dates set forth below.

FERGUSON ENTERPRISES, LLC

CITY OF MARCO ISLAND

DBA FERGUSON WATERWORKS

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

ADVANCED METERING INFRASTRUCTURE - NETWORK AS A SERVICE

EXHIBIT A

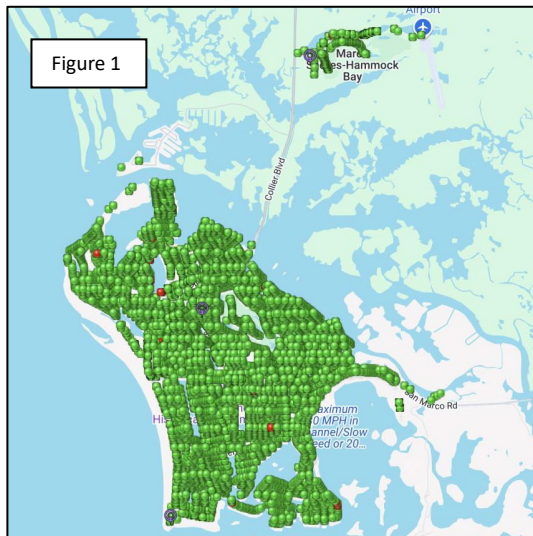
NEPTUNE NETWORK AS A SERVICE ("NaaS") STATEMENT OF WORK (SOW)

FERGUSON WATER WORKS – CITY OF MARCO ISLAND, FL

1. **Overview.** This SOW describes the terms and conditions upon which Ferguson shall provide Neptune LoRaWAN Network Services to the City of Marco Island, Florida, located at 50 Bald Eagle Drive, Marco Island, FL 34145 ("Customer").
2. **Definitions.**
 - a. *Active Sensor* — refers to Devices within the Service Boundary for which Network Services are being provided. Devices unable to connect with the Network due to a Force Majeure Event shall not be considered Active Sensors.
 - b. *Application* – Neptune's SaaS application, Neptune 360.
 - c. *Confidential Information* – the contents and existence of this Agreement as well as any information that is not generally known outside the Discloser relating to any aspect of business of the Discloser, whether existing or foreseeable, including but not limited to: project files; product designs, processes; new or existing product development; production characteristics; testing procedures and results thereof; engineering evaluations and reports; know-how, trade secrets, business plans, financial statements and projections; Consumer lists and information; software and computer programs, including source code; training manuals; policy and procedure manuals; price and cost information; and any information received by the Discloser under an obligation of confidentiality to a third-party. A "Recipient" receives Confidential Information; a "Discloser" discloses Confidential Information.
 - d. *Connectivity* – the ability for data collection Devices to send readings through a network to the Application, assuming the Devices are operational.
 - e. *Devices* – LoRaWAN-enabled Neptune R900 radio endpoints that interface with Neptune and Neptune-compatible meters.
 - f. *Documentation* – any user manuals, reference manuals, release, application and methodology notes, written utility programs and other materials in any form provided by Neptune.
 - g. *Network* —a Low Power Wide Area Network using LoRaWAN technology.
 - h. *Network Equipment* — equipment, (including gateways), accessories, cabling, and associated software (i.e., firmware, embedded operating systems, etc.) that establish and maintain the Network.
 - i. *Service Level Objectives* —as defined in Section 9
 - j. *Service Boundary* —the area or location where the Network Services will be performed and the Network Equipment will be deployed, as identified in the maps below.

ADVANCED METERING INFRASTRUCTURE - NETWORK AS A SERVICE

3. **Production Project.** The Network services documented in this SOW includes LoRaWAN connectivity and monitoring for Customer Devices within the Service Boundary as depicted in Figure 1 below and further documented herein (“Network Services”). Ferguson, working with Neptune will provide Network Services for approximately than eleven thousand, two hundred ninety-seven (11,297) Customer Devices (the “Production Project”), chosen by the Customer from a list of eligible water meter locations.



Note:

Approximately 10,065 (~89.6%) of the eligible Production Project locations are deemed suitable for R900 endpoint data communications at Data Rate 1, (“DR1”).

The remaining 1,166 (~10.4%) of eligible Production Project locations are suitable for R900 data communications at Data Rate 0 (“DR0”), which typically supports

4. **Production Project Pricing.** Production Project pricing and commercial terms will be as documented in Ferguson’s then-current Production Project quotation and the applicable provisions of this SOW. The Production Project term will be for a minimum of ten (10) years from an agreed upon effective date as to be noted in the City of Marco Island’s confirming purchase order. The NaaS subscription is eligible for optional, one-year automatic renewals after expiration of the initial 10-year NaaS subscription term, absent written termination ninety (90) days prior.
5. **LoRaWAN Coverage.** Coverage analysis suggests LoRaWAN coverage represents approximately ninety-nine and six-tenths percent (99.6%) of Customer’s ~11,273 geocoded meter locations within the Service Boundary. Approximately 42 (0.4%) of the geocoded meter locations are better suited, and currently identified for, installation of Neptune R900 cellular endpoints under separate pricing and commercial terms.
6. **Radio Access Network.** Production Project Network Services are predicated on utilization of currently available, commercial gateway sites.
7. **Deployment Commitment.** At the end of the twelfth (12th), twenty-fourth (24th), and thirty-sixth (36th) months from the Effective Date of this Statement of Work, the following cumulative minimum

ADVANCED METERING INFRASTRUCTURE - NETWORK AS A SERVICE

deployment commitments ("Deployment Commitment") will be honored by the following time periods ("Deployment Commitment Dates").

Twelve (12) months from LoRaWAN system availability

11,297 Devices/endpoints

If actual deployments fall short of a Deployment Commitment Date, the City of Marco Island shall advance pay the pre-paid annual fee for the sensor shortfall. Example: the City of Marco Island has deployed 10,231 sensors (12) months from effective date. The City of Marco Island would pay any previously unpaid activation and subscription fees for 1,000 additional sensors and the payment will be applied against the next 1,000 deployed sensors. The actual term of the shortfall devices would begin on the respective Deployment Commitment Date.

8. **Services Overview.** During the Term, at Ferguson / Neptune's sole expense, the Network Services will include:
 - a. Documentation and project management including on-site visits as necessary
 - b. All ongoing network operation expenses related to any of the Network elements (e.g. site leasing, utilities management and data backhaul)
 - c. 24 x 7 x 365 Network monitoring via our Network operations center
 - d. Proactive monitoring, alarms and ticket triage and support
 - e. Repair and/or replacement of gateways and other Network components
 - f. Regular upgrades of network gateways
 - g. Regular software updates of all network elements including the network server and gateway firmware
 - h. Neptune, or an authorized Neptune representative, shall perform additional field inspections to ensure system performance post installation
9. **Network Service Level Objectives:**
 - a. Ferguson / Neptune will use commercially reasonable efforts to ensure that the Production Project Devices within the designated Network coverage areas have a Read Success Rate of 98.5% within the last 72 hours.
 - b. Not less than eighty eight percent (88%) of the Network Connectivity services will support Neptune's LoRaWAN Device Data Rate One (DR1).
 - c. The following conditions shall not impact the Read Success Rate: (a) interruption of Network operation due to a lengthy power outage; (b) downtime for periodic system maintenance, firmware upgrades, or repairs of Network equipment up to a maximum of one day per month; (c) documented occasions where a Device is not communicating with the Network due to temporary obstructions such as cars, trash cans, or other obstructions or radio interference; and (d) documented occasions where a Device is not communicating with the Network due to Customer's failure to repair or replace any part of a Device after five days' notice from Neptune when the Customer is notified via the Application.
 - d. If Active Sensors with "covered" service addresses have not reported daily Packets for three (3)

ADVANCED METERING INFRASTRUCTURE - NETWORK AS A SERVICE

consecutive days ("Suspect Sensors"), for reasons not related to Service exceptions or exclusions as documented in this SOW, Ferguson / City of Marco Island, may deactivate and turn off (via Device magnet swipe) Suspect Sensors to suspend billing. The suspension of billing will be effective in the Reporting Term after the Suspect Sensors have been deactivated and Sensors turned off.

- e. Suspect Sensors removed, deactivated, and turned off will remain counted towards Ferguson / City of Marco Island's Deployment Commitment quantity totals as documented in section 4.
- f. Ferguson may return Suspect Sensors to service via either a Neptune, Ferguson or Customer-purchased/maintained gateway(s) ("Network Expansion") utilizing Neptune's private LoRa Network ID or by installing a Neptune cellular endpoint.

10. **Support.** Support is ongoing as part of the Network Services. Response time objective are detailed below:

Severity	Description	Response Time
Critical	The problem is causing a total loss of Connectivity and successful transmission of signals from more than 50% of Active Sensors.	Within 4 hours following the reported issue
Major	The problem is causing a significant loss of connectivity and successful transmission of signals from more than 25% of Active Sensors.	Within 12 hours following the reported issue
Minor	The problem is causing some loss of connectivity and there is no immediate impact to the successful transmission of signals from Active Sensors.	By end of next business day following the reported issue

Working with Neptune, Ferguson will provide the final resolution as promptly as is reasonably possible, depending on the severity of the issue and resources involved, consistent with its obligation to provide substantial up-time for this project.

11. **LoRaWAN Service Level Availability (SLA).** If the Production Project Service Level Objectives documented in section 9 are not satisfied at any time within a ninety (90) day calendar quarter, a LoRaWAN Network SLA will be calculated and reported to Ferguson through a combination of two, underlying Network performance measurements including the Radio Access Network (RAN) and Network Management Platform ("Platform") performance, accounting for any/all Customer and/or Force Majeure related considerations as documented in this Agreement. Furthermore, Ferguson may be entitled to LoRaWAN NaaS performance credits, subject to the following measurement and credit considerations:

- a. Measurement #1: LoRa RAN Service Level Availability ("RAN SLA")

ADVANCED METERING INFRASTRUCTURE - NETWORK AS A SERVICE

- i. The LoRa RAN is defined as LoRa gateways operating at commercially-sited gateways supporting Customer's Devices as may be employed at Neptune's discretion.
 - ii. The measurement of LoRa RAN availability will commence six (6) months from the first activation of a LoRa Device to the RAN and will be calculated over ninety (90) day periods, thirty (30) days after each calendar quarter.
 - iii. Maximum baseline RAN Availability with no Gateway/Device redundancy would be calculated at 44,640 (31x24x60) minutes times the number of commercially sited gateways in the RAN, multiplied by as-measured Device redundancy (Example: each Device read consistently by two gateways would result in a baseline RAN availability of 89,280 minutes (44,640 times 2) minutes).
 - iv. RAN downtime means number of minutes a gateway(s) is unavailable in sufficient quantities, allowing for redundancy, as to prevent Device data collection.
 - v. A maximum RAN downtime of less than one percent (1%) over a ninety-day calendar reporting period(s), subject to the exceptions documented below and elsewhere in this Agreement, will be considered satisfactory. Downtime exceptions include:
 - a) scheduled maintenance, upgrades, and emergency maintenance due to site-related damage (i.e., physical damage to either the gateways or supporting infrastructure),
 - b) lengthy power outage or cellular/internet carrier outage,
 - c) unapproved Ferguson, Customer and/or third-party actions, and
 - d) service interruptions, deficiencies, degradations or delays due to gateway data backhaul quality as is typically provided by third parties.
 - vi. Subject to the above, if LoRa RAN availability is less than ninety nine percent (99%), Ferguson will be due a credit against future Neptune fees or charges, at Neptune's discretion, as Ferguson's sole remedy, per the following calculation: $\text{Credit} = [(\text{RAN Downtime} / \text{Maximum RAN Availability}) - 1\%] \times \text{quarterly NaaS fee}$.
 - vii. Any/all Neptune credits are predicated on this SOW remaining in full force and affect without material revision or termination.
- b. Measurement #2: LoRaWAN Network Management Platform Service Level Availability ("Platform SLA")
- i. The LoRaWAN Network Management Platform will be considered active from the date of activation of the first LoRa Device via the LoRa RAN.
 - ii. Scheduled Maintenance. To ensure uptime and keep the Platform operating optimally, it is necessary to perform regular, routine maintenance ("Scheduled Maintenance") that, on occasion, may affect Platform availability. Scheduled Maintenance may occur as often as once a week on Wednesday mornings between 5am-7am ET. Scheduled Maintenance time is excluded from the Platform SLA calculation.
 - iii. Emergency Maintenance, defined as any third party (i.e, cellular data backhaul provider, DNS or Domain Registry and/or web services provider, etc.) failure or interruption that requires Neptune or a Neptune LoRaWAN contractor to repair and/or reconfigure Network Platform infrastructure under their direct control, as necessary to mitigate a third-party

ADVANCED METERING INFRASTRUCTURE - NETWORK AS A SERVICE

service deficiency or interruption. Emergency Maintenance time is excluded from the Platform SLA calculation.

- iv. The LoRaWAN Platform will provide ninety-nine percent (99%) Platform SLA for delivery of Customer meter data for any calendar quarter, subject to the RAN and Platform SLA calculation exceptions and other provisions documented in these sections 8(a) and 8(b).
- v. Subject to the above, if LoRaWAN Platform availability is less than ninety nine percent (99%), Ferguson will be due a Neptune credit as Ferguson's sole remedy. The amount of the Neptune credit will be calculated as 99% Platform availability minus the actual availability for the calendar quarter. (Example: 99% minus 90% actual availability equals a credit of 9% of a quarterly NaaS fee amount.

ADVANCED METERING INFRASTRUCTURE - NETWORK AS A SERVICE

Exhibit B

Ferguson/Neptune/Senet – Network-As-A-Service Fixed Network

- Per study – Senet study requires (3) Gateway Collectors on Utility Provided & Commercial locations
- This option will not only provide the City with reading capabilities but will also allow for additional LoRa Wann connectivity through Senet.
- 10-year contract
- Estimated Meter Count covered by this agreement 11,297
- \$5.64 per end point/per year NaaS fee for the first year, is subject to an annual Consumer Price Index (CPI) adjustment of 4% or actual CPI, whichever is higher.

Contract Payment Terms:

End of first 12-month contract term: Ferguson will invoice the City of Marco Island for 11,297-meter count being read via the Senet LoRa Wann Network within City of Marco Island utilities service territory.

Years 2-10 of contract term: At the end of each subsequent annual contract term in years two through ten, Ferguson will invoice the City of Marco Island for the total number of meters (11,297) being read within the City of Marco Island utilities service territory.

Term	Meters	NaaS Fee	Cost Incurred by City
Year 1	11,297.00	\$ 5.64	\$ -
Year 2	11,297.00	\$ 5.64	\$ 63,715.08
Year 3	11,297.00	\$ 5.87	\$ 66,313.39
Year 4	11,297.00	\$ 6.10	\$ 68,911.70
Year 5	11,297.00	\$ 6.34	\$ 71,622.98
Year 6	11,297.00	\$ 6.60	\$ 74,560.20
Year 7	11,297.00	\$ 6.86	\$ 77,497.42
Year 8	11,297.00	\$ 7.14	\$ 80,660.58
Year 9	11,297.00	\$ 7.42	\$ 83,823.74
Year 10	11,297.00	\$ 7.72	\$ 87,212.84