



CITY OF HAMILTON
PUBLIC WORKS DEPARTMENT
Energy, Fleet & Facilities Management Division

TO:	Chair and Members Public Works Committee
COMMITTEE DATE:	September 18, 2017
SUBJECT/REPORT NO:	Standardization of Original Equipment Manufacturers (OEM) Technicians Servicing Uninterruptible Power Supply (UPS) Equipment (PW17072) (City Wide)
WARD(S) AFFECTED:	City Wide
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SUBMITTED BY:	Rom D'Angelo, C.E.T.;CFM Director of Energy, Fleet and Facilities Management Public Works Department
SIGNATURE:	

RECOMMENDATION

- (a) In accordance with the City of Hamilton's Procurement Policy #14 - Standardization, that the Original Equipment Manufacturers (OEM) as identified in Appendix A to Report PW17072 be approved as the standard suppliers for the repair, maintenance and supply of parts to the Uninterruptible Power Supply (UPS) Equipment listed in Appendix A to December 31, 2022.
- (b) That the General Manager of Public Works be authorized to negotiate, enter into and execute any contracts and any ancillary documents required to give effect thereto with the OEMs identified in Appendix A to Report PW17072.

EXECUTIVE SUMMARY

The Energy, Fleet and Facilities Management Division manage approximately 500 City buildings within its portfolio. In this capacity, EFFM manages the maintenance and repair of Uninterruptible Power Supply Equipment (UPS). This equipment is an electrical apparatus that provides emergency power to a load when the input power source (typically the main power) fails. The UPS will provide near-instantaneous protection from input power interruptions by supplying energy stored in batteries. UPS systems are used along with generators to provide power until the generators transfer power. A UPS unit is considered critical infrastructure that is typically used to protect sensitive or critical hardware such as computers, data centres, telecommunication equipment or other electrical equipment where an unexpected power disruption could cause injuries, fatalities, serious business disruption or data loss. UPS systems contain

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life-limited components that must be replaced according to the manufacturer's specifications. In order to keep the equipment functioning optimally and in accordance with manufacturer specifications, the Original Equipment Manufacturer (OEM) uses proprietary diagnostic tools and software to maintain the UPS equipment. The use of non OEM certified technicians exposes the City to a higher risk of unplanned outages and legal liability, should a third party service provider use un-licensed versions of proprietary tools and software.

In accordance with Corporate Procurement Policy, Section 4.14, "Policy for Standardization", staff is requesting that the original equipment manufacturers (OEM) as identified in Appendix A to Report PW17072 be approved as the standard suppliers for the repair, maintenance and supply of parts to the Uninterruptible Power Supply (UPS) Equipment until December 31, 2019.

Alternatives for Consideration – See Page 3

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: Appendix A to Report PW17072 lists the UPS equipment and corresponding OEM vendors. In 2016, approximately \$60,000.00 was spent in servicing this equipment including preventative maintenance, testing and troubleshooting.

Staffing: Optimizing the amount of staff time required to procure these supplies supports improved efficiency of operation and maintenance of this equipment.

Legal: Not Applicable

HISTORICAL BACKGROUND

In 2014, the FMCP division of CASP issued an RFQ for the 'Supply & Delivery of Maintenance and Repair of Uninterruptible Power Supply Services at Various CASP Facilities in the City of Hamilton. The UPS equipment in seven facilities were listed and detailed in the RFQ document. Invited bidders advised that this equipment should be inspected and repaired by the original equipment manufacturer. Every UPS contains life-limited components that must be replaced according to the manufacturer's specifications. The RFQ was amended to include the requirement that a qualified UPS field service technician possessing OEM factory training was to perform the services. A company was awarded the contract and brokers with the OEM of the UPS equipment listed in Appendix A to provide the required service. It is this Division's plan to have the Procurement Section issue an open and competitive procurement process to supply UPS preventative maintenance and repair services with the requirement that only OEM trained technicians are to perform the services. The procurement contract process will span a five year period.

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POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

Procurement Policy #14 – Policy for Standardization requires that Council approval be obtained before a standard is established. Where the establishment of a standard will result in a single source purchase, that purchase shall also be approved by Council.

RELEVANT CONSULTATION

In order to discern whether or not the UPS equipment should be maintained and serviced by OEM technicians, EFFM consulted with the City's Information Technology Division and with the City's Procurement Division.

The Senior Contract Analyst of EFFM met with IT's Supervisor of Network Services. IT agreed that the equipment should be serviced by OEM technicians as the risk to critical and sensitive equipment was, by comparison, much greater than any relatively small financial advantage to be garnered hiring a non-OEM technician.

A meeting was held with the Manager of Procurement and she advised that once standardization was approved, a competitive process should be initiated to secure a contractor to broker with the OEM's to provide the requisite maintenance and repair services to the UPS equipment.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

The UPS equipment protects critical and sensitive equipment such as computers, data centres, telecommunication equipment and other electrical equipment where an unexpected power disruption could cause serious business disruption or data loss. When the potential risk versus the overall minimal costs (between \$50,000 and \$60,000 annually) are considered, standardizing the servicing of the UPS equipment to OEM trained technicians is the less risky option.

ALTERNATIVES FOR CONSIDERATION

An alternative would be to procure maintenance and repair of UPS equipment without the requirement for an OEM trained technician or parts but the risk to sensitive equipment is considerable in comparison to the overall cost of this service.

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

This action aligns to the City's Strategic Plan in that it assures the delivery of high quality services, leveraging technology and validating cost effectiveness and efficiencies across the Corporation.

APPENDICES AND SCHEDULES ATTACHED

Appendix A – Facility and Equipment Listing