



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

<b>TO:</b>	Chair and Members Public Works Committee
<b>COMMITTEE DATE:</b>	January 14, 2019
<b>SUBJECT/REPORT NO:</b>	Standardization for the Provision of Support, Maintenance, Repair and Parts to Original Equipment Manufacturer (OEM) or Licensed Distributors (PW19003) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Dina Urciuoli (905) 546-2424, Extension 7039
<b>SUBMITTED BY:</b>	Rom D'Angelo, C.E.T.; CFM Director, Energy, Fleet and Facilities Management Public Works Department
<b>SIGNATURE:</b>	

**RECOMMENDATION**

- (a) That the standardization of support, maintenance, repair and parts to the original equipment manufacturers or licensed distributors as identified in Appendix A to Report PW19003 pursuant to Procurement Policy #14 – Standardization, thereby approving the listed suppliers as the single source of equipment, parts, supplies and services for the listed equipment in the Energy Fleet and Facilities Management (EFFM) Division be approved;
- (b) That the General Manager of Public Works, or his designate, be authorized to negotiate, enter into and execute any required contract(s) and any ancillary documents required to give effect thereto with those suppliers identified in Appendix A to Report PW19003, with content acceptable to the General Manager of Public Works, and in a form satisfactory to the City Solicitor;
- (c) That the General Manager of Public Works, or his designate, be authorized, in the event that a supplier identified in Appendix A to Report PW19003 undergoes a name change, to amend any contracts executed and any ancillary documents as required in a form satisfactory to the City Solicitor.

**EXECUTIVE SUMMARY**

Energy, Fleet and Facilities Management (EFFM) oversees approximately 500 facilities. The portfolio of facilities includes recreational facilities, corporate facilities, entertainment facilities and libraries. The building systems involved is very diverse and span decades of differing technologies. Maintenance and management of these

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facilities requires that EFFM purchase equipment, parts, supplies and services from OEM suppliers and licensed distributors.

Procurement Policy #14 provides guidelines for standardization that streamline the process to purchase the support, maintenance, repair and parts required to maintain systems by OEM providers and or licensed distributors.

Standardizing the support, maintenance, repair and parts to the OEM service providers and or licensed distributors under Procurement Policy #14 will ensure compliance with the Procurement Policies, provide transparency of the procurement process and control cost of replacement components. It will also further reduce the amount of staff time required to prepare Procurement Policy #11 (single/sole source) forms requesting approval to sole source to the OEM service providers listed in Appendix A to Report PW19003.

The purpose of this report is to seek approval for the standardization of support, maintenance, repair and parts to OEM service providers or licensed distributors for equipment outlined in Appendix A to Report PW19003. Approval shall be valid for two years from the date of Council approval.

***Alternatives for Consideration – See Page 3***

**FINANCIAL – STAFFING – LEGAL IMPLICATIONS**

Financial: Appendix A lists the products and services recommended for standardization. In 2017, the combined expenditures relative to these vendors was approximately \$200,000. Adequate budget was approved for these procurements in 2017 and is similarly included in the 2018 operating and maintenance budgets.

Staffing: The approval of the recommendations contained within this report significantly reduces the amount of time spent on administrative work procuring goods and services.

Legal: Not Applicable.

**HISTORICAL BACKGROUND**

The portfolio of facilities that are being maintained by EFFM contains diverse complex systems of differing vintages. The supplier base for upgrading, repairing and retrofitting of these systems is wide spread and complex. Some suppliers have exclusive distribution rights to geographical areas. In the past, EFFM has sought out Policy #11 approval for the single source procurement of parts, equipment, supplies and services from OEM service providers and licensed distributors.

The standardization of equipment, parts, supplies and services will ensure that specific makes and models required to allow for direct replacements (like for like) without having

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to modify equipment configurations as may be the case if aftermarket products were to be used. Modifications in most cases can be expensive as they may require additional parts and labour time.

The standardization of support, maintenance, repair and parts will aid in the streamlining of repairs and maintenance work and reduce downtime which has a direct impact on our customers.

## **POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

The City of Hamilton Bylaw #17-064 – Procurement Policy, Policy #14, and Section 4.14 allows for standardization

## **RELEVANT CONSULTATION**

These recommendations are the result of consultations with the Procurement Section of the Financial Services Division.

## **ANALYSIS AND RATIONALE FOR RECOMMENDATION**

The selection of parts and supplies to replace existing equipment or components that have reached the end of their service life has been given considerable attention. EFFM seeks to improve the efficiency and productivity of operations and create a positive work environment. Front-line employees who maintain the equipment know from experience what kinds of equipment are best suited for work, including those aspects which maintain an ease of operation, stable functionality and acceptable health and safety standard. Providing components that are not compatible or have questionable reliability may distract staff from performing the work safely and exposing them to unnecessary hazards.

## **ALTERNATIVES FOR CONSIDERATION**

An alternative to the recommendations in this report is to revert back to completing Procurement Policy #11 forms for each and every vendor included in Appendix A to Report PW19003 of this report; however, it is not recommended as it is time consuming and requires an inordinate amount of staff time to complete; whereas the recommendations in this report achieves the same objective.

## **ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN**

### **Healthy and Safe Communities**

*Hamilton is a safe and supportive city where people are active, healthy, and have a high quality of life.*

### **Clean and Green**

*Hamilton is environmentally sustainable with a healthy balance of natural and urban spaces.*

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**Our People and Performance**

*Hamiltonians have a high level of trust and confidence in their City government.*

**APPENDICES AND SCHEDULES ATTACHED**

Appendix A – OEM and Licensed Distributors of EFFM Equipment

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