




CITY OF HAMILTON
PUBLIC WORKS DEPARTMENT
Hamilton Water Division

TO:	Chair and Members Public Works Committee
COMMITTEE DATE:	July 6, 2022
SUBJECT/REPORT NO:	Standardization of Hamilton Water Equipment and Services (PW22053) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Shane McCauley (905) 546-2424 Ext. 1020
SUBMITTED BY:	Nick Winters Acting Director, Hamilton Water Public Works Department
SIGNATURE:	

RECOMMENDATIONS

- (a) That the standardization of the products, services, manufacturers and distributors identified in the attached Appendices "A", "B", and "C" to Report PW22053 pursuant to Procurement Policy #14 - Standardization and as the single source of supply for the listed equipment, parts, supplies and services for the Hamilton Water Division be approved;
- (b) That the General Manager of Public Works, or their designate, be authorized to negotiate, enter into and execute any required Contract and any ancillary documents required to give effect thereto with those suppliers identified in the attached Appendices "A", "B", and "C" to Report PW22053 with content acceptable to the General Manager of Public Works, and in a form satisfactory to the City Solicitor; and,
- (c) That the General Manager of Public Works, or their designate, be authorized to amend any Contracts executed and any ancillary documents as required in the event that a service provider, manufacturer, or distributor identified in the attached Appendices "A", "B", or "C" to Report PW22053 undergoes a name change or a new distributor relationship in a form satisfactory to the City Solicitor.

OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

EXECUTIVE SUMMARY

The Hamilton Water Division has a multitude of complex systems that consume a high volume of equipment, parts, supplies, and services in order to maintain the facilities in a state of operability and good repair. This satisfies a number of goals related to legislative compliance, continuity of operation, health and safety, cost-efficiency, productivity, and return on investment.

When facilitating the design and construction of new infrastructure, Hamilton Water strives to ensure that all equipment, parts, supplies, and services that are identified in the attached Appendices “A”, “B”, and “C” to Report PW22053 are originally procured through the competitive bidding process.

The supplier base for upgrading, repairing, and retrofitting existing water, wastewater, and storm water infrastructure is widespread and complex. Procurement Policy #14 provides guidelines for standardization that streamline the process to purchase the materials, services, and equipment required to service existing infrastructure and maintain regulatory compliance of our water, wastewater, and storm water systems.

Purchasing equipment, parts, supplies, and services through Policy #14 will ensure the compliance with current 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 #11s (single or sole source) for all of the suppliers listed in the attached Appendices “A”, “B”, and “C” to Report PW22053.

The Procurement Policy requires an annual approval for each vendor when:

- There is only one (1) source for supply of particular goods and/or services in the open market (sole source).
- A single source for the supply of a particular good and/or service is being recommended because it is more cost effective or beneficial for the City of Hamilton (single source).

The purpose of Report PW22053 is to seek approval for the standardization of Hamilton Water equipment, parts, supplies, and services as outlined in the attached Appendices “A”, “B”, and “C” to Report PW22053.

Alternatives for Consideration – See Page 4

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: Appendices “A”, “B” and “C” attached to Report PW22053 list the products and services recommended for standardization. From 2017 through 2021, the combined expenditures relative to these vendors has averaged \$3.42M annually. Budget for these purchases are approved each year in the Water Wastewater and Storm Rate Budget.

Staffing: The approval of the recommendations contained within Report PW22053 significantly reduces the amount of time spent on administrative work procuring goods and services.

Legal: There are no legal implications associated with Report PW22053.

HISTORICAL BACKGROUND

Hamilton Water infrastructure includes the Woodward Water Treatment Plant, Woodward Wastewater Treatment Plant, Dundas Wastewater Treatment Plant, the Environmental Laboratory, and 170 outstations, which represent more than 35,000 individual pieces of equipment and includes a vast number of individual components. The total asset replacement value for all Hamilton Water infrastructure including sewers, watermains, and storm water management facilities is estimated to be approximately \$14.7 billion.

The supplier base for upgrading, repairing, and retrofitting existing water, wastewater, and storm water infrastructure is widespread and complex. Suppliers must use various strategies and networks of distribution to have equipment, parts, supplies, and services available to their customers. This includes suppliers with exclusive distribution rights to geographical areas, various levels of pricing according to whether the supplier has redistribution rights, or whether the supplier is considered a service provider or an end user.

Hamilton Water has previously undertaken Original Equipment Manufacturer (OEM) approval under Procurement Policy #11 for equipment, parts, supplies, and services. In most cases there is no known aftermarket for parts and supplies available, or the OEM representative is the only source of specialized testing equipment and knowledge.

By allowing the standardization of equipment, parts, supplies, and services Hamilton Water can ensure they have inventory of the specific makes and models required to allow for direct replacements (like for like) without having to modify electrical or piping configurations for equipment, as may be the case if aftermarket products were purchased. Modifications in most cases can be expensive as they may require additional parts, labour, and engineering drawings.

By standardizing equipment, parts, supplies, and services under the Procurement Policy #14, staff reduce the number of units in the inventory as the equipment can be quickly procured when required. This streamlines repairs and maintenance work and reduces down time which has a direct impact on our customers.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

The City of Hamilton Bylaw #20-205 - Procurement Policy, Policy #14, Schedule A, Section 4.14, allows for standardization.

RELEVANT CONSULTATION

These recommendations are the result of consultation with the Procurement Section of the Financial Services Division to ensure adherence to the Procurement Policy.

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. Hamilton Water seeks to improve the efficiency and productivity of operations, while maintaining stable functionality and acceptable health and safety standards. Providing components that are not compatible or have questionable reliability may distract staff from performing the work safely and exposing them to unnecessary hazards.

Through a variety of sources including trade shows, periodicals, other municipalities, conferences, training, sales representatives, and industry organizations, the market place will be monitored for new industry practices and suppliers to ensure the recommended brands and sources of supply contained in Report PW22053 remain current and, in the City of Hamilton's best interest and in compliance with the Procurement Policy.

ALTERNATIVES FOR CONSIDERATION

An alternative to the recommendations in Report PW22053 is to revert back to completing Procurement Policy #11 forms for each and every vendor included in the Appendices of Report PW22053; however, it is not recommended as this practice requires an inordinate amount of staff time to complete, whereas the recommendations in Report PW22053 achieves the same objective.

Financial: N/A

Staffing: Additional pressures on staff resources to prepare and approve a significant increase in Policy 11 Approvals.

Legal: N/A

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Economic Prosperity and Growth

Hamilton has a prosperous and diverse local economy where people have opportunities to grow and develop.

Healthy and Safe Communities

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

Built Environment and Infrastructure

Hamilton is supported by state-of-the-art infrastructure, transportation options, buildings and public spaces that create a dynamic City.

Our People and Performance

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

APPENDICES AND SCHEDULES ATTACHED

Appendix “A” to Report PW22053: Parts, Supplies, Equipment and Services for the City of Hamilton Environmental Laboratory.

Appendix “B” to Report PW22053: Parts, Supplies, Equipment and Services for Plant Operations and Plant Maintenance and Technical Services.

Appendix “C” to Report PW22053: Parts, Supplies, Equipment and Services for Additional Hamilton Water Sections