



**CITY OF HAMILTON**  
**PUBLIC WORKS DEPARTMENT**  
**Hamilton Water Division**

<b>TO:</b>	Chair and Members Public Works Committee
<b>COMMITTEE DATE:</b>	July 12, 2023
<b>SUBJECT/REPORT NO:</b>	Standardization of Hamilton Water Equipment and Services (PW23049) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Marco Cicconi (905) 546-2424 Ext. 2426
<b>SUBMITTED BY:</b>	Shane McCauley Director, Water and Wastewater Operations Public Works Department
<b>SIGNATURE:</b>	

**RECOMMENDATIONS**

- (a) That the standardization of the products, services, manufacturers and distributors identified in the attached Appendices “A”, “B”, and “C” to Report PW23049 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 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 undergoes a name change or a new distributor relationship in a form satisfactory to the City Solicitor.

## **EXECUTIVE SUMMARY**

The Hamilton Water Division has a multitude of complex systems that consume a high volume of equipment, parts, supplies, and services to maintain the City's water, wastewater, and stormwater facilities in a state of operability and good repair. The supplier base for maintaining, repairing, upgrading, and retrofitting these existing systems is widespread and complex. Procurement Policy #14 for standardization streamlines the purchase of materials, equipment and services required to maintain existing infrastructure and meet regulatory requirements. The standardization provision within the Procurement Policy, provides transparency, contributes to the timely and cost-effective maintenance of equipment and reduces the need for many of the Procurement Policy #11 - Non-Competitive Procurement (single or sole source) requests that would otherwise be required.

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 PW23049 are originally procured through the competitive bidding process.

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

## **FINANCIAL – STAFFING – LEGAL IMPLICATIONS**

**Financial:** From 2018 through 2022, the combined expenditures relative to these vendors has averaged \$3.6M annually.

**Staffing:** The approval of the recommendations contained within this Report significantly reduces the time and administrative work procuring goods and services.

**Legal:** N/A

## **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 stormwater management facilities is estimated to be approximately \$14.7 billion.

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Prior to standardization, Hamilton Water had previously used Procurement Policy #11 for the purchase of Original Equipment Manufacturer (OEM) equipment, parts, supplies, and services. This process can be time consuming, and delay needed repairs and maintenance.

**POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

This Report is in accordance with City of Hamilton Bylaw 20-205 as amended, the Procurement Policy, Section 4.14, Policy #14 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**

Providing components that are not compatible with the original equipment and design reduce reliability of critical infrastructure. Hamilton Water works to maintain the efficiency and productivity of operations, while aiming to meet all regulatory requirements.

Standardization of certain equipment, parts, supplies and services allows Hamilton Water to ensure they have appropriate inventory of the specific makes and models required to allow for direct replacements (like for like) without having to modify electrical, hydraulic, pneumatic, or mechanical configurations for equipment, as may be the case if non-original equipment products were purchased. Modifications in most cases can be expensive, time consuming and may require additional parts, labour, and engineering.

With standardized parts and equipment, costs associated with higher inventory levels can be reduced and parts and equipment can be efficiently procured when required. This helps reduce repair times, streamlines maintenance work, reduces downtime, and contributes to maintaining regulatory compliance.

The marketplace will be monitored for new industry practices, products, and suppliers to ensure the brands and sources of supply remain current.

**ALTERNATIVES FOR CONSIDERATION**

An alternative to the recommendations in Report PW23049 is to revert back to completing Procurement Policy #11 forms for each and every vendor included in the Appendices of Report PW23049; however, it is not recommended as this practice

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requires an inordinate amount of staff time to complete, whereas the recommendations in Report PW23049 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 PW23049 – Parts, Supplies, Equipment and Services for the City of Hamilton Environmental Laboratory.

Appendix “B” to Report PW23049 – Parts, Supplies, Equipment and Services for Plant Operations and Plant Maintenance and Technical Services.

Appendix “C” to Report PW23049 – Parts, Supplies, Equipment and Services for Additional Hamilton Water Section