



CITY OF HAMILTON
PUBLIC WORKS DEPARTMENT
Corporate Facilities and Energy Management

TO:	Chair and Members Public Works Committee
COMMITTEE DATE:	April 2, 2024
SUBJECT/REPORT NO:	Standardization for the Provision of Parts, Services, Maintenance and Repairs to Original Equipment Manufacturers or Licensed Distributors (PW19003(b)) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Shea D'Ostilio (905) 546-2424 Ext. 7013 Shaba Shringi (905) 546-2424 Ext. 3142
SUBMITTED BY:	Indra Maharjan Director of Corporate Facilities & Energy Management Public Works
SIGNATURE:	

RECOMMENDATION

- (a) Pursuant to Procurement Policy #14 – Standardization, that the standardization of Parts, Services, Maintenance and Repairs as identified in Appendix “A” attached to Report PW19003(b), as the single source to suppliers and original equipment manufacturers or licenced distributors of the parts, equipment, supplies and services for the listed equipment in the Corporate Facilities and Energy Management (CFEM) Division be approved;
- (b) That the General Manager, Public Works or 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” attached to Report PW19003(b), 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, Public Works or designate, be authorized to amend any contracts executed and any ancillary documents as required in the event that a supplier identified in Appendix “A” attached to Report PW19003(b) undergoes a name change, 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.

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EXECUTIVE SUMMARY

The Corporate Facilities and Energy Management (CFEM) Division oversees approximately 500 facilities across the city. The portfolio of facilities includes recreational facilities, corporate facilities, entertainment facilities, Tim Hortons Field stadium, long term care facilities and libraries. The building systems involved in the management of these facilities are very diverse, and span decades with differing technologies.

Maintenance and management of these facilities requires that the Division purchase parts, equipment, supplies and services from Original Equipment Manufacturers (OEM) suppliers and licenced distributors. The purpose of this report is to seek approval for the standardization of these parts, services, maintenance and repairs to service providers or licenced distributors for equipment outlined in Appendix “A” attached to Report to PW19003(b). Procurement Policy #14 – Standardization provides guidelines for standardization that will streamline the process, ensure compliance with procurement policies, provide transparency and control cost of replacement components. It will also reduce the amount of staff time required to prepare Procurement Policy #11 - Single/sole source forms requesting to sole source to the service providers listed in Appendix “A” attached to Report PW19003(b).

In accordance with the City’s Procurement Policy, where a standardized Good or Service is approved by Council or the Manager of procurement and the expiry of the standardization is not stated in the approval report or motion, the expiry of the standardization shall be no more than 3 years from the date of the approval.

Alternatives for Consideration – See Page 4

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: Appendix “A” to attached to Report PW19003(b) lists the products and services recommended for standardization. In 2023, the combined expenditures relative to these vendors was approximately \$600,000. Adequate budget was approved for these procurements in 2023 and is similarly included in the 2024 operating and maintenance budgets. In 2024, the total value of the standardization is approximately \$1,085,000 across a vast number of facilities which requires the purchase of parts, equipment, supplies and services from the original equipment manufacturer suppliers, licenced distributors and service providers. Budget for these purchases is approved each year through the Facilities Operating Budget. The additional costs in 2024 can be attributed to aging infrastructure, industry inflation, and supply and demand factors, resulting in approximately 30% increase for most

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vendors. In addition, four new vendors have been added to the list for standardization as seen in Appendix “A” attached to Report PW19003(b).

Staffing: The approval of the recommendations contained within this report allows for efficiencies and reduces the amount of staff time spent on administrative work procuring goods and services and delays in acquiring the materials and service necessary to maintain facilities in an operational condition.

Legal: N/A

HISTORICAL BACKGROUND

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

The standardization of parts, equipment, supplies and services will ensure that specific makes and models required to allow for direct replacements (like for like) without having 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 parts, services, maintenance and repairs 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 #22-255 – Procurement Policy, Policy #14 allows for Standardization.

RELEVANT CONSULTATION

The Procurement Section has reviewed and provided comment with respect to the adherence of the Procurement Policy. In consultation with the Procurement Section, the standardization and single source of the products, manufacturers, and distributors contained within the appendix of this report is recommended.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

The selection of parts, supplies and services to replace existing equipment of components that have reached the end of their service life has been given considerable attention. Staff 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 not approve the Standardization and instead require staff to complete Procurement Policy #11 forms for each purchase from each vendor included in Appendix “A” attached to Report PW19003(b). This alternative is not preferred as it would require a large amount of staff time to complete that process for every purchase.

Financial: N/A.

Staffing: N/A

Legal: N/A

APPENDICES AND SCHEDULES ATTACHED

Appendix “A” to Report PW19003(b) – List of Operations Equipment Manufacturer, Licensed Distributors and Maintenance Services Equipment Suppliers