

INFORMATION REPORT

TO: Chair and Members Public Works Committee	WARD(S) AFFECTED: CITY WIDE
COMMITTEE DATE: November 18, 2013	
SUBJECT/REPORT NO: Protective Plumbing Program 3P - (PW13082) - (City Wide)	
SUBMITTED BY: Gerry Davis, CMA General Manager Public Works Department	PREPARED BY: Dan McKinnon (905) 546-2424, Extension 5941 Shane McCauley (905) 546-2424, Extension 1020
SIGNATURE:	

Council Direction:

On February 6, 2013, General Issues Committee received Report PW11056(c) "Residential Protective Plumbing Subsidy Program". The report proposed amendments to the Protective Plumbing Program (3P) Guidelines. Committee direction was as follows:

- (a) That the Protective Plumbing Program (3P) be amended to:
 - (i) Require property owners to submit to the City of Hamilton three independent quotes for the eligible works prior to approval or provision of grants and/or loans; and
 - (ii) Provide that grant and loan values for the Protective plumbing Program (3P) be equal to the lowest of the three quotes submitted to the City of Hamilton for the eligible works;
- (b) That staff be directed to implement sections (a)(i) and (ii), including the amendment of the Protective plumbing Program (3P) Guidelines;
- (c) That staff be directed to provide a report to the Public Works Committee on a semi-annual basis with respect to the three quote policy."

Information:

The intent of these program changes was to encourage more direct property owner involvement, encourage a more competitive atmosphere with the goal of deriving greater value from program funds and to ensure the program remains financially viable over the longer term.

Staff implemented these changes as of March 1, 2013, and as part of the implementation corresponded with all of the contractors who had previously participated in the program outlining the changes to the program. In addition to this, Hamilton Water held an open house for contractors to provide an overview of the changes in the program and to obtain feedback from the contractors regarding the transition so as to ensure that the residents received the best service possible with the least amount of disruption and confusion.

Hamilton Water staff, in addition to the above, shared findings of a number of investigations of properties where flooding was experienced after having a backwater valve installed. The goal of this was to provide contractors with more information that would assist them in delivering improved service and advice to participants in the program. Over 38 individual contractors attended this session and it appears these efforts have enabled a smooth implementation of the changes.

Observations throughout this year suggest that more direct property owner involvement in the program administration has been a positive change and staff believe this will help to ensure better customer service.

A review of the supporting documentation, including the 3 quotes that are required to receive the grant, reveals that while there has been a decrease in the average cost of installing backwater valves the overall grant values have not declined appreciably. We now have more clarity on the ancillary costs such as CCTV inspections etc. however, as mentioned, grants values remain very close to the \$2,000 maximum.

Figure 1. below depicts activity in the program throughout 2013. Of note is the drop in activity that occurred during April and May which coincides with the program changes and suggests this is when the contracting industry became familiar with the new rules. Subsequent to this activity has increased and remains robust with a weekly average of approximate of \$55,000. Should this trend continue the annual expenditure for 2013 will be slightly higher than budget.

While the objective of these most recent program changes was motivated by a desire to ensure financial viability it remains uncertain if this has been achieved. As mentioned, the current forecast suggests we will be slightly higher than budget for 2013 and it remains unknown how program activity will proceed throughout 2014. The current management plan is to continue to monitor program expenditures closely throughout 2014 and should staff detect an inordinate rise in program activity we will report back to committee with these findings.

Figure 1

