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The Regional Municipality of Durham Report

To: Works Committee
From: Acting Commissioner of Works
Report: #2024-W-12
Date: April 3, 2024

Subject:

Sole Source Procurement of Equipment, Maintenance Service and Parts for Equipment Installed at Various Water and Wastewater Facilities throughout the Regional Municipality of Durham

Recommendations:

That the Works Committee recommends to Regional Council:

- A) That staff be authorized to negotiate and award sole source agreements in 2024 for the unanticipated or end of life replacement of existing equipment installed at various Water and Wastewater Facilities throughout the Regional Municipality of Durham, but not for new construction or new installations, where using a different manufacturer would require significant structural, electrical, mechanical, communication, instrumentation and other modifications;
- B) That financing for the sole source agreements be provided from the approved annual Water Supply Operating Budget;
- C) That staff be authorized to negotiate and award sole source agreements for maintenance service and parts supply for the existing equipment installed as components of various water facilities throughout the Regional Municipality of Durham, with terms not to exceed five years;
- D) That financing for the sole source maintenance service and/or parts supply agreements be provided from the approved annual Water Supply Operating Budget at an estimated annual cost of \$2,550,000;

E) That the negotiated sole source agreements be awarded as follows:

Authorized Supplier	Manufacturer	Estimated Annual Costs (excluding HST)
Syntec	Fontaine; Tideflex; Netzsch; Trueline; Val-Matic; Red Valve; Singer	\$250,000
Westburne	Allen Bradley	\$100,000
Benshaw	Benshaw	\$100,000
Cutler-Hammer / Eaton	Cutler-Hammer / Eaton	\$250,000
SCG Process	ProMinent; De Nora	\$125,000
Bisan	Watson-Marlow	\$100,000
Vissers Sales	Pulsafeeder	\$100,000
Evoqua	Wallace & Tiernan	\$250,000
SPD Sales	MSA	\$100,000
Lakeside Process Controls	Emerson; Fisher Control; Rosemount	\$100,000
Endress+Hauser	Endress+Hauser	\$100,000
ACG-Envirocan	KROHNE	\$100,000
Franklin Empire	Siemens	\$100,000
Rotork	Rotork	\$150,000
Troy-Ontor	AUMA	\$150,000
H2Flow	Trojan Technologies	\$275,000
Hach Canada Sales and Service	Hach Canada Sales and Service	\$100,000
Flowpoint Systems	Flowpoint	\$100,000
-	TOTAL	\$2,550,000*

F) That the Commissioner of Finance be authorized to execute the necessary maintenance service and parts supply agreements.

Report:**1. Purpose**

- 1.1 The purpose of this report is to seek Regional Municipality of Durham (Region) Council approval to negotiate and award sole source equipment, maintenance service and parts supply agreements for existing major equipment installed as components of various Water and Wastewater facilities operated by the Region.
- 1.2 Dollar amounts followed by an asterisk (*) are before applicable taxes.

2. Background

- 2.1 Existing equipment at various water and wastewater facilities was initially installed through a capital contract secured through a competitive procurement process.
- 2.2 When replacing equipment at its end of life, consideration must be given to what modifications would also be required, including structural, electrical, mechanical, communication and instrumentation.
- 2.3 Regularly scheduled maintenance must be conducted as specified by the manufacturer to maintain equipment warranties. In most cases, this specialized maintenance must be done by qualified and trained personnel. Often, consumable spare parts, replacement components, and other maintenance items can only be obtained through the original vendor or their authorized Ontario representative.
- 2.4 Additionally, specialized testing of some components is required to comply with the Municipal Drinking Water Licence (MDWL) issued by the Ministry of the Environment, Conservation and Parks (MECP), or the Region will be at risk of non-compliance.
- 2.5 Where the Ontario-based representatives for authorized equipment suppliers have changed from previous reports, this report specifies the new representative.

3. Previous Related Reports and Decisions

- 3.1 In September 2021, Regional Council approved Works Committee Report #2021-W-30, authorizing the negotiation of a sole source maintenance and parts supply agreement with Flowpoint Systems for bulk water filling station hardware installed at the Zone 4 Reservoir in Seaton, with terms not to exceed five (5) years.

- 3.2 In March 2023, Regional Council approved Works Committee Report #2023-W-09, authorizing staff to enter into a sole source maintenance service and parts supply agreement with Trojan Technologies for ultraviolet (UV) light disinfection equipment installed at various water supply facilities throughout the Region, with terms not to exceed five (5) years.
- 3.3 In September 2023, Regional Council approved Works Committee Report #2023-W-36, authorizing staff to enter into a sole source maintenance service and Parts Supply Agreements with various suppliers for equipment installed at various Water Pollution Control Plants (WPCP) and Sanitary Sewage Pumping Stations (SSPS) throughout the Region, with terms not to exceed five (5) years.

4. Rationale for Sole Source Approval of Maintenance Service and/or Parts Supply Agreements

- 4.1 Major equipment components at the Region's various water and wastewater facilities have been in service for periods ranging from five (5) to over 35 years. As such, wearable parts are due for replacement now and in the immediate future.
- 4.2 Some original spare parts inventories provided as components of capital contracts have been or will soon be consumed. Onsite inventories need to be restocked to enable efficient maintenance planning and execution. Spare parts and agreements must also be in place to plan preventative maintenance and react to unplanned activities.
- 4.3 Specialized maintenance and inspection services need to be procured and scheduled.
- 4.4 Scheduled interventions to proactively replace assets prior to failure are increasing in frequency as the asset base continues to mature from its original installation dates.
- 4.5 The major equipment components listed in Table #1 below will require ongoing maintenance service and parts supply agreements and standing agreements with the manufacturer or sole authorized supplier for a proposed terms not to exceed five (5) years.

4.6

Table #1

Item	Authorized Supplier	Manufacturer	Comments	Estimated Annual Costs (excluding HST)
Gate Valves Ball Valves Butterfly Valves Pressure Reducing Valves Duckbill Check Valves	Syntec	Fontaine; Tideflex; Netzsch; Trueline; Val-Matic; Red Valve; Singer	Installed at various water supply facilities throughout the Region Spare parts and service as required	\$250,000
Variable Frequency Drives	Westburne	Allen Bradley	Installed at various water supply facilities throughout the Region Spare parts and service as required	\$100,000
Variable Frequency Drives	Benshaw	Benshaw	Installed at various water supply facilities throughout the Region Spare parts and service as required	\$100,000
5Motor Control Centres	Cutler-Hammer / Eaton	Cutler-Hammer / Eaton	Installed at various water supply facilities throughout the Region Spare parts and service as required	\$250,000
Chemical Feed Pumps Chlorinators Analyzers	SCG Process	ProMinent; De Nora	Installed at various water supply facilities throughout the Region Spare parts and service as required	\$125,000

Item	Authorized Supplier	Manufacturer	Comments	Estimated Annual Costs (excluding HST)
Chemical Feed Pumps Chlorinators Analyzers	Bisan	Watson-Marlow	Installed at various water supply facilities throughout the Region Spare parts and service as required	\$100,000
Chemical Feed Pumps Chlorinators Analyzers	Vissers Sales	Pulsafeeder	Installed at various water supply facilities throughout the Region Spare parts and service as required	\$100,000
Chemical Feed Pumps Chlorinators Analyzers	Evoqua	Wallace and Tiernan	Installed at various water supply facilities throughout the Region Spare parts and service as required	\$250,000
Hazardous Gas Detectors	SPD Sales	MSA	Installed at various water supply facilities throughout the Region Spare parts and service as required	\$100,000
Various Instrumentation Control Valves System Software	Lakeside Process Controls	Emerson; Rosemount; Fisher Control	Installed at various water supply facilities throughout the Region Spare parts and service as required Annual software license renewals	\$100,000

Item	Authorized Supplier	Manufacturer	Comments	Estimated Annual Costs (excluding HST)
Various Instrumentation Control Valves	Endress+Hauser	Endress+Hauser	Installed at various water supply facilities throughout the Region Spare parts and service as required	\$100,000
Magnetic Flowmeters	ACG-Envirocan	KROHNE	Installed at various water supply facilities throughout the Region Spare parts and service as required	\$100,000
Level Transmitters	Franklin Empire	Seimens	Installed at various water supply facilities throughout the Region Spare parts and service as required	\$100,000
Actuators	Troy-Ontor	AUMA	Installed at various water supply facilities throughout the Region Spare parts and service as required	\$150,000
Actuators	Rotork	Rotork	Installed at various water supply facilities throughout the Region Spare parts and service as required	\$150,000

Item	Authorized Supplier	Manufacturer	Comments	Estimated Annual Costs (excluding HST)
Ultraviolet (UV) Light Disinfection Equipment	H2Flow	Trojan Technologies	Installed at various water supply facilities throughout the Region Spare parts and service as required	\$275,000
Water quality sampling equipment	Hach Canada Sales and Service	Hach Canada Sales and Service	Annual calibration and verification of pocket colourimeters, portable and stationary turbidimeters, etc. including replacement of necessary parts/components.	\$100,000
Bulk Water Filling Station Hardware	Flowpoint Systems	Flowpoint	Installed at Zone 4 Reservoir in Seaton Spare parts and service as required	\$100,000
Total Estimated Annual Cost	-	-	-	\$2,550,000*

- 4.7 The above Table #1 provides the manufacturers' Ontario-based authorized representative for service and parts.
- 4.8 The Agreements cost, scope and duration will be finalized with the suppliers of the service and parts upon Regional Council's approval of this report.
- 4.9 The pricing in Table #1 above has been estimated based on a review of the procurement of representative services and parts to date.
- 4.10 The maintenance services and parts supply agreements will ensure that the Region obtains preferential pricing and streamline the volume of procurement activities.

5. Financial Implications

- 5.1 Section 7.2 of the Region's Purchasing By-law #16-2020 permits the acquisition of goods and services through sole source negotiations under specific circumstances outlined in Appendix "C" of the by-law. Section 1.1 of Appendix "C" permits negotiations for goods or services that can be supplied only by a particular supplier where no reasonable alternative or substitute goods or services exist to ensure compatibility with existing goods or to maintain specialized goods that must be maintained by the manufacturer of those goods or its representative. The by-law also requires approval by the appropriate standing committee and Council for the award of sole source contracts that exceed \$100,000 in value.
- 5.2 Financing for the sole source maintenance service and parts supply agreements, estimated at an annual cost not to exceed \$2,550,000, will be provided from the approved annual Water Supply Operating Budget.

6. Relationship to Strategic Plan

- 6.1 This report aligns with/addresses the following strategic goals and priorities in the Durham Region Strategic Plan:
- a. Optimize resources and partnerships to deliver exceptional quality services and value.
 - b. Collaborate for a seamless service experience.
- 6.2 Standardization of supplies and services for specialized equipment will promote asset longevity and reduce unplanned facility maintenance events.

7. Conclusion

- 7.1 It is recommended that Regional Council approve the award of sole source for equipment, maintenance service and parts supply agreements, subject to negotiations of contracts satisfactory to the Commissioner of Finance, for equipment installed as components of various Water and Wastewater Facilities operated by the Regional Municipality of Durham.
- 7.2 This report has been reviewed by the Finance Department and the Commissioner of Finance concurs with the recommendations.

7.3 For additional information, contact: Rich Tindall, Manager of Plant Operations, at 905-668-7711 extension 3547.

Respectfully submitted,

Original signed by:

Ramesh Jagannathan, MBA, M.Eng., P.Eng., PTOE
Acting Commissioner of Works

Recommended for Presentation to Committee

Original signed by:

Elaine C. Baxter-Trahair
Chief Administrative Officer