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Staff Report

Infrastructure & Public Works

Report To: Committee of The Whole
Meeting Date: March 12, 2018
Report Number: CSPW.18.005
Subject: Sole Source Procurement of Water Meters
Prepared by: Allison Kershaw, Manager of Water & Wastewater Services

A. Recommendations

THAT Council receive Staff Report CSPW.18.005 entitled, "Sole Source Procurement of Water Meters";

AND THAT Council approve the sole source procurement of Neptune Technology Group water meters from Evans Utility and Municipal Products Supply Ltd. until December 31, 2019.

B. Overview

This report seeks Council approval to purchase Neptune Technology Group water meters from Evans Utility and Municipal Products Supply Ltd., as they are the sole supplier of these water meters, until December 31, 2019.

C. Background

The Town of The Blue Mountains (Town) Council passed By-law 2003-103 being a By-law to authorize the installation of water meters in all premises to which municipal water is supplied. This includes properties with water meters up to 50mm (two inches) in size. The Town issued a tender for the supply of water meters to which Neptune Technology Group (Neptune) was awarded the tender. Water meters larger than 50mm are purchased on a case-by-case basis.

Evans Utility and Municipal Products Supply Ltd. (Evans) is the only approved Neptune water meter distributor that may supply this area. Accordingly in 2010, Council approved the sole source procurement of water meters from Evans. This procurement authorization covered bulk purchases of residential and commercial water meters until 2015.

The current procurement authorization for Neptune water meters has lapsed. Before just extending the sole source, Staff feel it is appropriate that a full market evaluation is necessary to ensure best value. However, Staff resourcing is not available in 2018 to undertake this significant effort.

D. Analysis

Staff recommend extending of the current sole source authorization with Evans until December 31, 2019, as an interim measure. This will permit the Town to undertake industry research and enter a longer term procurement contract. The assessment in 2019 will include a full supplier evaluation to ensure the Town is receiving the best value. Staff will assess the direct and indirect costs associated with the water meter program and will recommend to Council a course of action.

E. The Blue Mountains Strategic Plan

Goal #5: Ensure Our Infrastructure is Sustainable

F. Environmental Impacts

N/A

G. Financial Impact

Currently there is limited financial impact on the Town as the water meters are purchased and then the costs are recovered when the meters are sold to the property owners. Staff estimate that until December 31, 2019, an upfront cost of approximately \$180,000 total will be necessary to continue to purchase water meters from Evans. As previously indicated, these costs will be largely absorbed by property owners and will have little impact on the Town's Operating budget.

H. In consultation with

Brian O'Reilly, Backflow Prevention & Water Meter Coordinator

Serena Wilgress, Manager of Purchasing & Risk Management

Cathy Bailey, Manager of Information Technology

Sam Dinsmore, Deputy Treasurer/Manager of Accounting & Budgets

Ruth Prince, Director of Finance & IT Services/Treasurer

I. Attached

None.

Respectfully submitted,

Allison Kershaw
Manager of Water & Wastewater Services

Reg Russwurm, MBA, P.Eng
Director of Infrastructure & Public Works

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