A. Recommendations

THAT Council receive Staff Report CSOPS.20.009, 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, 2020.

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, 2020.

C. Background

In 2003, 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 at that time, Neptune water meters and associated hardware and software were selected by the Municipality through the tender process.

Evans Utility and Municipal Products Supply Ltd. (Evans) is the only approved Neptune water meter distributor that may supply this area. Accordingly, in 2018, Council approved the sole source procurement of water meters from Evans until 2019. The current procurement authorization that covered bulk purchases of residential and commercial Neptune water meters from Evans expired on December 31, 2019.
D. Analysis

Since the installation of Neptune water meters throughout the municipality, the Town’s Water Section has purchased handheld meter reader equipment that is used to electronically collect meter reads from individual meters for billing purposes.

In conjunction with the electronic meter reading equipment, the Town purchased the Neptune Equinox Software as a means of managing the large amount of data received from the handheld meter readers. This proprietary software is instrumental to the Town’s current water billing process.

Adequately maintaining both the electronic meter readers and the associated software is essential to the Town’s ability to accurately manage water meter reads and bill out water usage. Neptune Technology Group provides a maintenance agreement that will adequately meet the Town’s meter reader and software maintenance needs.

Neptune meters are the most widely used water meters in this region, have an excellent reputation for their performance, and for their manufacturing and technical support. In addition, our current meter reading technology and the interface with our billing system is Neptune technology. Adding a different manufacturer and meter product into our existing Neptune water meter system is not practical, economical nor recommended. Staff recommend extending of the current sole source procurement authorization for Neptune Technology Group water meters from Evans Utility and Municipal Products Supply Ltd until December 31, 2020. This will ensure that the Municipality can continue to provide water meters to residents, business owners, builders and developers in a timely manner.

Purchasing Policy POL.COR.07.05 notes:

Sole Sourcing is a method of procurement whereby a purchase order is issued, or contract awarded without a competitive bidding process due to the fact that the supplier is the only source of supply for the required goods or services.

Sole Sourcing will be permitted if one or more of the following circumstances apply:

1. One supplier/contractor possessing the unique ability or capability to meet the requirements of the Town due to a patent, sales/distributor agreement or copyright

The use of Sole and Single Sourcing with a particular vendor exceeding $25,000 must be approved by Council. Any single or sole sourcing with an amount between $5,001 and $24,999 must be reported by the applicable Department Head and approved by the Manager of Purchasing and Director of Finance. In order for a division to sole or single source for goods or services exceeding $25,000, an operating strategy must be presented with Purchasing input and approved by Council, outlining the rationale. Input must be sought from the Manager of Purchasing to ensure the purchasing principles in the Town’s Procedures are taken into consideration and risk to the Town is minimized.
During 2020, Staff will issue a request for information to bidders to see if there are any other meters that will provide the same level of service and communicate with our current meter reading devices and billing software.

E. The Blue Mountains Strategic Plan

Goal #5: Ensure Our Infrastructure is Sustainable
Objective #1 Develop a Long-Term Asset Management Plan for the Maintenance, Renewal and Replacement of Existing Infrastructure
Objective #2 Avoid Unexpected Infrastructure Failure and Associated Costs and Liability
Objective #3 Implement Best Practices in Sustainable Infrastructure
Objective #4 Ensure that Infrastructure is Available to Support Development

F. Environmental Impacts

None.

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, 2020 an upfront cost of approximately $95,000 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 for 2020.

H. In Consultation With

Shawn Everitt, CAO

Shawn Carey, Director of Operations

Brian O’Reilly, Backflow Prevention & Water Meter Coordinator

Cathy Bailey, Manager of Information Technology

Sam Dinsmore, Deputy Treasurer/Manager of Accounting & Budgets

Ruth Prince, Director of Finance & IT Services/Treasurer

Serena Wilgress, Manager of Purchasing & Risk Management

I. Public Engagement

The topic of this Staff Report has not been subject to a Public Meeting and/or a Public Information Centre as neither a Public Meeting nor a Public Information Centre are required.
Comments regarding this report should be submitted to Allison Kershaw, managerwww@thebluemountains.ca.

J. Attached

None.

Respectfully submitted,

_________________________
Allison Kershaw
Manager of Water and Wastewater Services

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Shawn Carey
Director of Operations

For more information, please contact:
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