

Clause 7 in Report No. 10 of Committee of the Whole was adopted, without amendment, by the Council of The Regional Municipality of York at its meeting held on June 29, 2017.

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2017-2022 Contract with Electrical Safety Authority
for Electrical Inspection Services at Water and Wastewater Sites

Committee of the Whole recommends adoption of the following recommendations contained in the report dated May 24, 2017 from the Commissioner of Environmental Services:

1. Council authorize the direct purchase of electrical inspection work to be performed at York Region water and wastewater sites by the Electrical Safety Authority in accordance with the Ontario Electrical Safety Code O.Reg 164/99 for a period of five years commencing on August 2, 2017.
2. Council authorize the Commissioner, Environmental Services to execute a five-year contract with an upset limit of \$265,699.00 excluding tax.

Report dated May 24, 2017 from the Commissioner of Environmental Services now follows:

1. Recommendations

It is recommended that:

1. Council authorize the direct purchase of electrical inspection work to be performed at York Region water and wastewater sites by the Electrical Safety Authority in accordance with the *Ontario Electrical Safety Code* O.Reg 164/99 for a period of five years commencing on August 2, 2017.
2. Council authorize the Commissioner, Environmental Services to execute a five-year contract with an upset limit of \$265,699.00 excluding tax.

2. Purpose

This report seeks Council authorization for the direct purchase of mandatory electrical inspection services as part of the Electrical Safety Authority Continuous Safety Services Program for annual electrical inspections of York Region water and wastewater facilities. Council authority is required for this direct purchase pursuant to section 9.1 (b) of the Purchasing Bylaw because there is only one entity reasonably capable of providing the deliverable and the total cost exceeds \$100,000.

3. Background and Previous Council Direction

In 2012, Council authorized the procurement of electrical inspection services from the Electrical Safety Authority

In [November 2012](#), Council authorized the direct purchase of annual electrical inspection services from the Electrical Safety Authority (the Authority) for a five year term beginning in 2012. The current agreement with the Authority is set to expire on August 1, 2017, and there are no renewal provisions.

Electrical inspections assist in regulatory compliance and are a commitment to provide reliable, safe, secure drinking water and wastewater services

Environmental Services incorporates 190 discrete facilities including water treatment plants, water resource recovery facilities, water reservoirs, and pumping stations. The entire operation is dependent on continued electrical maintenance of the system on an ongoing basis. Facilities identified in the current contract with the Authority were inspected at least once annually to ensure compliance with the *Ontario Electrical Safety Code* O.Reg 164/99 (the "*Electrical Safety Code*")

Continuous Safety Services Program ensures facility compliance with requirements of the *Electrical Safety Code* and demonstrates due diligence

The *Electrical Safety Code* defines the legal requirements for safe electrical installations, products and equipment. This requires an electrical safety program mandated by the provincial government as part of a Continuous Safety Services Program. York Region's Environmental Services Department maintains and

operates water and wastewater systems in full compliance with applicable legislations and regulations.

York Region has used the Continuous Safety Services program provided by the Authority over the past 15 years. The current contract term will expire on August 1, 2017.

4. Analysis and Implications

The Authority is the only regulatory body in Ontario that conducts inspections related to the *Electrical Safety Code*

Annual electrical inspections on water and wastewater assets are required in order to remain compliant with the *Electrical Safety Code*. The Authority is the only regulatory body in Ontario that conducts electrical inspections related to the *Electrical Safety Code*.

The Authority is responsible for public electrical safety in the Province of Ontario. It is designated to perform this function by Ontario Regulation 89/99 made pursuant to the *Electricity Act, 1998*.

Approximately 164 water and wastewater sites are included in the proposed contract

Based on the current state of infrastructure, 164 sites are included in the contract for annual inspection. These sites include pumping stations, wells, plants, valves and meter chambers, and elevated water tanks. To account for infrastructure growth from the ongoing capital program, an additional 26 sites were added as provisional items within the purchase request.

The Authority will periodically inspect to the standards as prescribed by the *Electrical Safety Code* in accordance with electrical work identified, conduct visual reviews of work and provide a report on non-compliance(s) and non-conformance(s) with the *Electrical Safety Code* as identified by the Inspector at the time of inspection.

5. Financial Considerations

Sufficient funds for this service are identified in the 2017 Environmental Services Operating budget and are funded from user rates.

2017-2022 Contract with Electrical Safety Authority for Electrical Inspection Services at Water and Wastewater Sites

A contract from 2017 to 2022 with the Authority as part of their Continuous Safety Services Program for a five-year term has an annual cost of approximately \$45,868, with a potential to be as high as \$53,140 annually if all future sites are inspected, with a total potential contract cost of \$265,699 excluding tax. The value of this program avoids a more complex approach involving site-specific permits and costs that would be required if this Electrical Safety Authority program was not in place.

Staff negotiated a five-year agreement with The Authority to provide better value for the Region

At the present time, as noted, there are no other agencies or commercial enterprises who can provide the same or similar services to maintain compliance with all legislative requirements in the same manner as The Authority, and it is not contemplated that there will be any change in the marketplace in the foreseeable future. Therefore, staff have negotiated the annual contract price based on a five-year contract term, which provides better value for the Region than a series of five renewable one-year contracts. If, during the term of the contract, another agency or commercial enterprise who can offer the same legislatively mandated services as The Authority enters the marketplace, staff will note this development and ensure that the electrical inspection deliverables post-August 2022 are competitively procured in accordance with the provisions of the Purchasing Bylaw.

6. Local Municipal Impact

Environmental Services provides continuous operation of all water and wastewater facilities to service municipalities

The Region's water and wastewater electrical assets are constantly being monitored and maintained to deliver required levels of service and regulatory compliance. Ensuring annual inspection of electrical assets ensures continuous provision of water and wastewater services in compliance with applicable regulations and laws.

7. Conclusion

Contract recommended direct purchase for five years with Electrical Safety Authority for all electrical inspections at water and wastewater sites

Electrical Safety Authority is the only entity reasonably capable of providing electrical inspection services in Ontario as required under the *Ontario Electrical Safety Code*. To maintain compliance with the *Electrical Safety Code*, a contract with the Authority is recommended for a five-year term that includes inspection services for all water and wastewater sites annually. The cost of a contract from August 1, 2017 to August 1, 2022 is approximately \$53,140 annually with a total cost of \$265,699 excluding tax.

For more information on this report, please contact Roy Huetl, Director, Operations, Maintenance and Monitoring at 1-877-464-9675 ext. 75323.

The Senior Management Group has reviewed this report.

May 24, 2017

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