



Working together with our community

Council-In-Committee Meeting – April 12, 2022

Subject: Approval of a Sole Source Supplier Status for Trojan Industries
Report Number: EIS-22-017
Division: Environmental and Infrastructure Services
Department: Environmental Services
Purpose: For Decision

Recommendation(s):

THAT Council approves the sole source supplier status of Trojan Industries for the maintenance, repair, and supply of replacement parts for the ultraviolet equipment manufactured by Trojan Industries found in the water treatment plants (WTP) at Port Rowan, the Simcoe Cedar St. well field, Delhi Wells #1 and #2 and upon completion of the upcoming upgrades at Port Dover.

AND THAT Council approve the sole source supplier status of Trojan Industries for the maintenance, repair, and supply of replacement parts for the ultraviolet equipment at the wastewater treatment plants (WWTP) employing ultraviolet lamps manufactured by Trojan Industries in the treatment process found at Delhi, Waterford, and upon completion of the upcoming upgrades at the Port Dover WWTP.

Executive Summary:

Staff are requesting the approval of Council to establish Trojan Industries as a sole source supplier for the required maintenance programs and replacement items necessary to ensure that the ultraviolet equipment at Norfolk County's water and wastewater treatment plants continue to function as required in accordance with the facilities Environmental Compliance Approvals and Drinking Water Works Permits and Licenses as issued by the Ministry of Environment, Conservation and Parks (MECP). Norfolk County must continue to use the services of the manufacture of this equipment to ensure that all warranties and guarantees continue to be honored by Trojan Industries and this approval will ensure this.

Discussion:

Norfolk County operates eight water treatment plants for the supply of clean water to its residents and five wastewater treatment plants through a contract with the Ontario Clean Water Agency (OCWA). As part of the operation of these facilities, there are requirements to disinfect the treated water and wastewater. This is accomplished in two ways, through the use of chlorine or the use of ultraviolet equipment. Water treatment plants that employ the use of ultraviolet equipment in the disinfection process follow this by the addition of chlorine prior to entry into the water distribution system. Ultraviolet equipment can be found at the Port Rowan WTP, the Simcoe Cedar St. well field, Delhi Wells #1 and #2, and the Port Dover WTP upon completion of upgrades. Wastewater treatment plants employing ultraviolet equipment in the treatment process are Delhi, Waterford, and at Port Dover upon completion of the upcoming upgrades. All of the ultraviolet equipment at these facilities requires regular maintenance and servicing as well as the occasional unscheduled need for service or replacement parts in order to ensure compliance with the manufacture's specifications and warranties.

Trojan Industries is the supplier of the ultraviolet equipment used at our facilities which they also manufacture. Norfolk County equipment was previously serviced by a company named H2Flow Equipment Inc. who was the licensed distributor for the Province of Ontario by Trojan Industries. Norfolk County had a maintenance contract with the company for the servicing of our ultraviolet equipment however Trojan Industries has not renewed the licensing agreement with H2Flow and have set up their own servicing and parts supply network in Ontario.

Norfolk County must continue to use the services of Trojan Industries, the manufacture of this equipment to ensure that all warranties and guarantees continue to be honoured. With the recent change in the Operating Authority at our wastewater treatment plants, OCWA is also required to ensure that equipment under warranty continues to be serviced by the licensed agent of the manufacture. OCWA is also required to obtain services over \$10,000 in value in accordance with Norfolk County purchasing procedures.

Norfolk County had incurred \$64,900 of expenditures in 2021 relating to the servicing and repairs of UV Equipment in our Water Treatment Facilities. The amount incurred at the Wastewater Treatment Facilities was not tracked by staff as this was previously included in the invoices paid to the former contract operator, Veolia, through the end of their contract in September. OCWA did not incur any service or repair expenses related to UV Equipment that exceeded the purchasing threshold amount as specified in the operations agreement, for the duration of their control in 2021.

As there are both regular servicing requirements as well as unscheduled repair needs, staff would like to bring the purchasing process for all of the needs at the WTPs and WWTPs under one umbrella thereby ensuring adherence to the appropriate purchasing policy. This would require an approval from Council for the sole source supply of service by Trojan Industries.

Financial Services Comments:

Finance staff have confirmed that servicing costs of the UV Equipment in Norfolk County's Water Treatment Facilities amounts to \$64,900 for 2021. UV Equipment Servicing costs incurred within Norfolk County's Wastewater Treatment Facilities were included in the annual operating contract paid to the former WWTP operator, and were accommodated within the 2021 Approved Rate Supported Budget.

The 2022 Approved Rate Supported Budget includes a combined allocation for maintenance and repairs services/supplies totaling \$432,100 at facilities in Norfolk County which contain UV equipment for treatment purposes. It is anticipated that this amount is sufficient to accommodate all servicing and repair costs including the required UV servicing costs. Since Norfolk County has not yet completed a full year in operation with the new WWTP operator, there remains uncertainty regarding the true costs of maintenance in our Wastewater facilities. Any additional budget requirements will be reflected in the 2023 Rate Supported Operating Budget.

Interdepartmental Implications:

Purchasing Services has reviewed the report and relevant industry background as provided within the report and based on this information, advise that Norfolk County Policy CS-02 Section 4.8.4 and 4.8.5 requires all sole source procurements to be authorized prior to the purchase through resolution of Council. Sole source supply is defined where there is only one available supplier for the required goods or services.

Consultation(s):

Finance and Purchasing

Strategic Plan Linkage:

This report aligns with the 2019-2022 Council Strategic Priority "Build and Maintain Reliable, Quality Infrastructure".

Explanation: It is the County's responsibility to provide water and wastewater services to the residents of Norfolk County in an efficient and cost effective manner. The ability to combine and track the expenditures required to maintain the ultraviolet equipment employed at our facilities under one purchasing process will allow for the ease of tracking, efficiency of procuring required services and maintenance, as well as, allowing the Purchasing Policy to be adhered to in a responsible and efficient manner.

Conclusion:

A unified purchasing mechanism for the acquisition of services required to ensure the continued operations of our disinfection systems at the water and wastewater treatment

plants will be both efficient and ensure that we are able to continue to meet our regulatory requirements and our Environmental Compliance Approvals and Drinking Water Works Permits and Licenses as issued by the Ministry of Environment, Conservation and Parks (MECP).

Attachment(s):

- None

Approval:

Approved By:
Al Meneses
Chief Administrative Officer

Reviewed By:
Stephanie Davis
Manager, Water & Wastewater Compliance

Prepared By:
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Director, Environmental Services