

## Report to Civic Works Committee

**To:** Chair and Members  
Civic Works Committee

**From:** Kelly Scherr, P.Eng., MBA, FEC  
Deputy City Manager, Environment & Infrastructure

**Subject:** Emergency Procurement of Replacement Pumps for  
Hazeldon Pumping Station

**Date:** December 5, 2023

## Recommendation

That, on the recommendation of the Deputy City Manager, Environment & Infrastructure, the following actions **BE TAKEN** with respect to the emergency procurement of replacement pumps for Hazeldon Pumping Station:

- a) The purchase order issued for replacement pumps at Hazeldon Pumping Station under Section 14.2 of the Procurement of Goods and Services Policy at a projected total price of \$54,594.00 (HST excluded), **BE CONFIRMED**;
- b) The financing for this project **BE APPROVED** as set out in the Sources of Financing Report attached hereto as Appendix 'A'; and
- c) the Mayor and City Clerk **BE AUTHORIZED** to execute any contract or other documents, if required, to give effect to these recommendations.
- d) the Civic Administration **BE AUTHORIZED** to undertake all the administrative acts that are necessary in connection with this project.

## Executive Summary

Hazeldon Pumping Station provides wastewater servicing for a small catchment in west London. Out of the two pumps installed, one pump failed while the other was determined to be close to failure. Two replacement pumps were ordered to match the existing pumps for continued service. This report provides record of the emergency procurement and confirms the source of financing for the issued purchase order.

## Linkage to the Corporate Strategic Plan

This project supports the 2023-2027 Strategic Plan through Climate Action and Sustainable Growth:

- Infrastructure is built, maintained, and secured to support future growth and protect the environment.

## Analysis

### 1.0 Background Information

#### 1.1 Purpose

The purpose of this report is to inform Council of a decision by administration to award a purchase order for new pumps at the Hazeldon Pumping Station. One of the two duty pumps at this station failed. Due to long lead times for a replacement, the decision was made to initiate the order immediately under emergency provisions of the Procurement of Goods and Services policy to expedite delivery.

## **2.0 Discussion and Considerations**

### **2.1 Criticality of Wastewater Pumping Stations**

The City of London employs a gravity-based wastewater collection system that receives wastewater from residential, institutional, and commercial/industrial properties and conveys it via gravity to one of the City's five wastewater treatment plants for treatment prior to discharge to the Thames River. However, in some areas of the City it is not possible to cost effectively convey wastewater to the plants by gravity due to topography. In these locations, the City operates wastewater pumping stations that convey the collected wastewater to sewers that can flow by gravity to one of the wastewater treatment plants. Since there is typically no gravity back-up, and no treatment is provided at pumping stations, if a pumping station fails completely then the result is a discharge of untreated wastewater to the environment, or in some cases, a back up of sewage into basements.

All pumping stations have a spare pump installed in order to provide service coverage in the case of failure. Once a pump failure occurs, the station remains in operation but has no resilience for additional incidents. Even though Wastewater Treatment Operations is working towards implementing rosters of service centres for pump repairs in order to reduce the time required to get the pump back in service, the lead time for the supply of parts can still be long. Pump replacements also typically take many months to order and receive. Considering these lead times, the failure of a pump requires quick action.

### **2.3 Procurement Under Emergency Provisions**

Upon failure of the first pump, staff reviewed the status of the remaining pump. It was determined that it was also approaching its end of expected service life. Considering the lead time for replacement pumps and the urgency of the situation, it was decided that it was appropriate to use the emergency procurement procedures available under Section 14.2 of the Procurement of Goods and Services Policy and to issue a purchase order immediately. This was deemed necessary because the expected value of the pumps exceeded the limits for an administrative single source award under the policy (currently \$50,000).

In order to ensure that the replacement pumps could be implemented easily and with predictable performance, identical replacements from the original pump installation were selected. The order was issued in July 2023, with pumps arriving late October. The value of the purchase was then confirmed at \$54,594.00, excluding HST.

All other work required to install the pumps will be completed by City forces.

## **3.0 Financial Impact/Considerations**

Sources of funding have been identified for the procurement identified in this report.

## **Conclusion**

Wastewater pumping stations are a critical element of the wastewater collection system in the City of London. A pump failure at Hazeldon Pumping Station necessitated the immediate purchase of replacement pumps to ensure a return to continued reliable service with standby as soon as possible. By using the emergency procurement measures available under the Procurement of Goods and Services Policy, Wastewater Treatment Operations was able to restore full station capacity in less time overall than the procurement processes mandated under the Policy would have required.

**Prepared by:** Kirby Oudekerk, MPA, P.Eng.  
Division Manager, Wastewater Treatment Operations

**Submitted by:** Ashley Rammeloo, MMSc., P. Eng.  
Director, Water, Wastewater and Stormwater

**Recommended by:**            **Kelly Scherr, P. Eng., MBA, FEC**  
**Deputy City Manager, Environment & Infrastructure**

Appendix 'A'                    Source of Financing

cc:     Steve Mollon, Senior Manager, Procurement and Supply  
         Alan Dunbar, Manager III, Financial Planning and Policy  
         Zeina Nsair, Financial Business Administrator, Finance and Corporate Services

**Appendix "A"**

#23222  
 December 5, 2023  
 (Emergency Procurement)

Chair and Members  
 Civic Works Committee

RE: Emergency Procurement of Replacement Pumps for Hazeldon Pumping Station  
 (Work Order 02588603)  
 Capital Project ES515023 - Pumping Station Optimization and Renewal  
 Xylem Canada LP - \$54,594.00 (excluding HST)

**Finance Supports Report on the Sources of Financing:**

Finance Supports confirms that the cost of this project cannot be accommodated within the financing available for it in the Capital Budget, but can be accommodated with a drawdown from the Sewage Works Renewal Reserve Fund, and that, subject to the approval of the recommendation of the Deputy City Manager, Environment and Infrastructure, the detailed source of financing is:

<b>Estimated Expenditures</b>	<b>Approved Budget</b>	<b>Additional Requirement (Note 1)</b>	<b>Revised Budget</b>	<b>Committed To Date</b>	<b>This Submission</b>
Engineering	2,172	0	2,172	2,172	0
Construction	186,100	0	186,100	186,100	0
City Related Expenses	14,895	0	14,895	14,895	0
Vehicles and Equipment	247,805	247,918	495,723	440,168	55,555
<b>Total Expenditures</b>	<b>\$450,972</b>	<b>\$247,918</b>	<b>\$698,890</b>	<b>\$643,335</b>	<b>\$55,555</b>

**Sources of Financing**

Capital Sewer Rates	450,972	0	450,972	450,972	0
Drawdown from Sewage Works Renewal Reserve Fund	0	247,918	247,918	192,363	55,555
<b>Total Financing</b>	<b>\$450,972</b>	<b>\$247,918</b>	<b>\$698,890</b>	<b>\$643,335</b>	<b>\$55,555</b>

**Financial Note:**

Contract Price	\$54,594
Add: HST @13%	7,097
Total Contract Price Including Taxes	61,691
Less: HST Rebate	-6,136
Net Contract Price	\$55,555

**Note 1a:** The additional funding requirement for this project can be accommodated by a drawdown from the Sewage Works Renewal Reserve Fund. The forecasted balance of the reserve fund will be \$52.0M with the inclusion of the additional requirement.

**Note 1b:** A budgetary shortfall has been identified in the pumping station program account due to unexpected and costly equipment repair and replacement requirements in 2023, in addition to significant inflationary pressures on all expenditures.

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 Kyle Murray  
 Director, Financial Planning and Business Support

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