
HALDIMAND COUNTY

Report GVL-01-2019 Emergency Plumbing Repair Expenditure For Consideration by Council in Committee on April 16, 2019



OBJECTIVE:

To seek Council approval for a source of funding related to an emergency service and repair of the plumbing system at Grandview Lodge.

RECOMMENDATIONS:

1. THAT Report GVL-01-2019 Emergency Plumbing Repair Expenditure be received;
2. AND THAT the emergency purchase outlined in Report GVL-01-2019 be funded from the Capital Replacement Reserve – General in the amount of \$30,530 including non-rebateable HST.

Prepared by: Jennifer Jacob, Administrator, Grandview Lodge

Respectfully submitted: Cathy Case, General Manager of Corporate & Social Services

Approved: Donald G. Boyle, Chief Administrative Officer

EXECUTIVE SUMMARY:

In February a plumbing emergency was discovered at Grandview Lodge. Staff dealt with the emergency promptly, however, there are no regular provisions within the budget to accommodate emergency expenditure situations. Therefore such items are dealt with through Procurement Policy 2013-02. The Policy requires that a report be presented to advise Council of the purchase as soon as practically possible after the emergency occurs, along with a recommendation for the funding source. Staff recommend that the emergency costs in the amount of approximately \$30,000 be funded from the Capital Replacement Reserve.

BACKGROUND:

On February 1, 2019 an odour of sewage from the basement of Grandview Lodge was noted. Upon inspection a leak was observed coming from a 4 inch cast iron sewer pipe which had cracked. The plumbing system at Grandview Lodge is a hybrid of infrastructure which dates back to 1956 with some upgrades completed in 1961, 1970 and most recently 2006 when the rebuild was completed and the systems were integrated. The area of the plumbing system where the leak was discovered was installed in 1956 and services the areas of the building that house the Day Away Program, main kitchen, hairdresser and two resident/public bathrooms. Maintenance staff at Grandview Lodge were not able to manage the scope of the repair and a contractor was consulted.

After a comprehensive inspection of the plumbing system, the contractor identified the following issues for repair:

- Removal and replacement of 120 feet of 6 inch cast iron sewer pipe located in the crawl space
- Replace cast iron p trap
- Repair leak on rec line
- Unplug 6 inch sewer
- Repair mop sink drain without cutting concrete

During the inspection, an incidental leak in the large hot water storage tank that supplied the laundry department was also identified. This tank, also from 1956, is outdated and thus repair is extremely difficult and costly. The tank's structure does not allow for the type of annual inspection that is required under current legislation, specifically visualization of the interior of the tank.

In collaboration with the contractor and staff, it was determined that a replacement tank was not required to meet the water supply demand in the facility and the hot water delivery system was re-routed through the two remaining hot water tanks initially installed during the 2006 redevelopment. This was the most efficient and cost effective solution which included the following services:

- Disconnect laundry storage tank
- Rework piping on existing storage tanks to eliminate storage tank

**removal of the tank was not considered at this time as leaving it in place is of no consequence and removal would incur additional costs.*

Permission was received from the General Manager of Corporate & Social Services to proceed with the emergency repairs promptly as per the Procurement Policy 2013-02. In accordance with Section 4.03 k(ii)(c) of the Procurement Policy, this report is being presented to inform Council of the emergency purchase and seek Council approval of the funding source.

ANALYSIS:

Staff regularly attempt to balance a proactive approach to replacing infrastructure with the need to be fiscally reasonable and responsible. There is always a risk, with aging infrastructure, that similar issues could arise; however, the unpredictability of when and to what magnitude makes it difficult to integrate into the budgetary process. An emergency purchase for the service and repair of the plumbing system in the amount of \$30,000, plus HST, was completed in accordance with the Procurement Policy 2013-02. The policy allows for non-competitive procurement in emergencies when there is an imminent or actual danger to the life, health or safety of the public and/or an imminent or actual danger of damage to, or destruction of, real or personal property belonging to the County.

Staff reviewed existing maintenance and repair plans that form part of the current budget and determined that there are insufficient funds in the approved Tax Supported Operating Budget to cover the costs of the emergency purchase without negatively impacting other maintenance requirements in the facility. Capital projects were also considered however a reallocation of funds was not readily available without compromising work in progress. Therefore, staff are recommending that the emergency plumbing expenditure be funded from the Capital Replacement Reserve – General.

FINANCIAL/LEGAL IMPLICATIONS:

The 2019 Tax Supported Capital Budget did not include an estimate related to this unforeseen expenditure. As a result, a revision to the budget is recommended as follows (including non-rebateable HST):

	Current Approved Budget	Proposed Revised Budget
Projects:		
Facility Maintenance and Repair	0	\$30,530
Total Expenditures:	\$0	\$ 30,530
Financing:		
CRR - General	0	\$30,530
Total Financing:	\$0	\$30,530

Projects not previously budgeted will ultimately impact the County's existing long range capital funding plan.

STAKEHOLDER IMPACTS:

Not applicable.

REPORT IMPACTS:

Agreement: No

By-law: No

Budget Amendment: Yes

Policy: No

ATTACHMENTS:

1. Not applicable.