

## Request for Decision

### Sanitary Sewer & Water Service Line Warranty Protection Plan

Presented To: Operations Committee

Presented: Monday, Dec 07, 2015

Report Date: Wednesday, Nov 25, 2015

Type: Managers' Reports

### Recommendation

THAT the City of Greater Sudbury endorses the development and delivery of an optional water & sewer utility service line warranty program available to residential properties within the City of Greater Sudbury.

## Background

The purpose of this report is to obtain authorization for staff to proceed with the procurement of a service provider and the implementation of a sewer & water service line warranty program for subscribed residential property owners within Greater Sudbury.

Over time the private portion of the water and sewer utility service lines fail from normal wear and tear. Homeowners are responsible for covering the costs of the utility service lines on their property although they are often unaware of this responsibility. Often such failures could lead to expensive repairs for homeowners.

Optional warranty programs for homeowners are currently available in the marketplace in some communities. These programs protect residents from the possible financial stress of costly repairs while helping municipalities control non-revenue water leakage and extraneous water inflow from damaged private infrastructure.

Typically, the warranty service provider handles all aspects of the program, including marketing, billing, customer service, contractor management and completion of all repairs to all applicable codes. Homeowners can access service using a streamlined business process to affect the required repairs. Contractors are thoroughly vetted through a third-party compliance management vendor that performs background checks.

The City of Hamilton and EPCOR (an Edmonton based provider of water, wastewater and power services in Alberta and western Canada) both have similar programs in place as well as many municipalities across the United States. The City of Hamilton was the first municipality in Canada to introduce a Service Line

#### Signed By

**Report Prepared By**

Paul Javor  
Water/Wastewater Operations  
Engineer  
*Digitally Signed Nov 25, 15*

**Division Review**

Nick Benkovich  
Director of Water/Wastewater Services  
*Digitally Signed Nov 25, 15*

**Recommended by the Department**

Tony Cecutti  
General Manager of Infrastructure  
Services  
*Digitally Signed Nov 25, 15*

**Recommended by the C.A.O.**

Kevin Fowke  
Acting Chief Administrative Officer  
*Digitally Signed Nov 25, 15*

Warranty Program. Since the launch of the Hamilton program, the Association of Municipalities (AMO) has endorsed the use of sewer and water service warranty program.

### **Products Offered**

It is anticipated that a service provider would be selected using a competitive process in accordance with the City's Purchasing bylaw to provide:

- a sewer service warranty protection plan, and
- a water service warranty protection plan, and
- an interior plumbing and drainage warranty protection plan.

### **Marketing and Division of Responsibility**

The successful proponent will be responsible for marketing the program typically by direct mail and public relations to generate awareness and interest among property owners. The municipality will endorse the Sewer and Water Line Warranty Service and permit the use of the municipality's logo as well as pre-approving all marketing materials. The use of the municipality's logo alerts local residents to the legitimacy of the warranty program, resulting in larger numbers of enrollments. Pre-approving ensures that the City is satisfied with all marketing materials with the municipal logo before it is sent out. Furthermore, the warranty plan provider is responsible for covering all costs of producing and mailing marketing materials. The warranty provider also has to administer and perform all aspects of marketing, billing, customer service and performing all repairs to standards specified in agreement.

### **Costs to the Resident**

Customers would typically have the option to either pay a monthly or single annual payment. The actual fee paid by the resident will be set through an RFP process where the proponents will be evaluated on their abilities to deliver the service and the fees of the program. The successful warranty provider will also pay annual commission based revenue to the City in exchange for the use of the CGS logo and to cover our administration costs from all active enrolled customers in any or all of the warranty plans within the geographical boundaries of the City of Greater Sudbury. A minimal annual subscription revenue will be earned.

### **Conclusion & Timelines**

The sewer and water line warranty program should be in place to assist customers in early 2016.