



Town of Newmarket
395 Mulock Drive P.O. Box 328,
Newmarket, Ontario, L3Y 4X7

Email: info@newmarket.ca | Website: newmarket.ca | Phone: 905-895-5193

Water and Sewer Service Line Warranty Program Staff Report to Council

Report Number: 2023-45

Department(s): Public Works Services

Author(s): Rob Gillis, Manager, Water / Wastewater

Meeting Date: June 19, 2023

Recommendations

1. That the report entitled Water and Sewer Service Line Warranty Program dated June 19, 2023 be received; and,
2. That Council approve the issuance of a Request for Proposal to determine one or multiple vendors to supply a Water and Sewer Service Line Warranty Program for the residents of the Town of Newmarket; and,
3. That staff be authorized and directed to implement the Water and Sewer Service Line Warranty Program endorsed by the Town; and,
3. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

Purpose

The purpose of this report is to seek approval for the Town to provide a private Water and Sewer Service Line Warranty Program to Town of Newmarket residents. The program would be endorsed by the Town and a supplier(s) selected by way of a Request for Proposal (RFP) process.

Background

It should be noted that the Town will not be involved in the management or delivery of this program nor affiliated in any way beyond the endorsement of such. The successful proponent will be solely responsible for the program and all associated costs.

Through the program, the Town will not receive any compensation for the enrollment from Newmarket residents. If, following the selection of successful proponent(s) for this RFP such compensation is available, it is recommended that any compensation be applied to the program thereby reducing the rates applicable to residents of the Town.

Discussion

The residents of the Town of Newmarket are responsible for the water and sewer service lines that run from inside their home to the “street line”, or the boundary separating private and Town property. The Town is responsible for the maintenance and repair of water and sewer service lines from the “street line” to the Town owned water and sewer mains. These maintenance and repair costs are carried out at no cost to the resident.

When a service line breaks, leaks or clogs on private property, the resident is solely responsible for the maintenance and repairs. As these services are buried underground, it could cost thousands of dollars to complete the necessary work. Typically, homeowner insurance policies do not cover these repair costs.

A sewer/water service line warranty program would provide additional protections to those who do not have any coverage in their existing homeowner’s insurance policies.

The Town has seen a recent rise in the number of claims submitted in relation to sewer backups and water service line breaks. With the claims paid, the Town has determined that there was some responsibility on the Town’s part that resulted in the sewer back up and/or water service line break. The Town does not accept responsibility for the homeowner’s improper use of sewer and water service lines that could result in a disruption in service. Improper use includes actions such as pouring fats, grease and solids down the drain, which will result in clogs over time and eventually leading to a disruption in service.

Request for Information Issued

The Town of Newmarket released a Request for Information (“RFI”) on March 2022 for the purposes of gathering information from the marketplace to assist in the future consideration or requirements for a private water and sewer service line warranty repair program for Town of Newmarket residents. Two suppliers responded to the RFI advising that they provide for this type of service. The information received through the RFP process suggested that the average cost of these programs for the residents of Newmarket could range from \$8.00 to \$10.00 per month for water and \$7.00 to \$9.00 per month for the sewer program.

There are 70+ municipalities in Ontario that have endorsed a Water and Sewer Service Line Warranty Program, providing their residents an optional level of protection, that has received the municipalities endorsement.

Procurement Services Recommendation

Procurement Services recommends that as a result of the two supplier responses received in relation to the RFI, that a Request for Proposal be issued to permit for a competitive process to secure a supplier and program that provides the best value to interested Town of Newmarket residents,

The framework for the Request for Proposal (RFP) will include the following parameters:

- (1) A solution that provides service line warranty repairs to residents at a low monthly fee and at no cost whatsoever to the Town.
- (2) A solution that provides for various coverages that can be opted into by residents at their discretion such as water service line repair coverage, or sewer service line repair coverage, or interior plumbing repair coverage, etc.
- (3) A solution that ensures a trusted, licensed, bonded and insured network of contractors, (including local contractors), are engaged by the solution provider to carry out the required repairs in a timely and professional manner.
- (4) A solution that requires that all repair bills are sent directly to the solution provider and not the resident or the Town of Newmarket.
- (5) Any proposed compensation to the municipality be redirected in the form of a discount to residents for any partnership opportunities.

A benefit to this approach will be that services are not offered as a “direct to consumer” product, but only through a municipal endorsement, providing the Town the ability to vet the program and messaging. With the proposed endorsement model, the Town can interact with service provider to pre-inspect and approve all communications to the residents.

Conclusion

The endorsement of a private Water and Sewer Service Line Warranty Program for the residents of the Town of Newmarket will ensure lowest possible service contract pricing. Residents will know that this is a legitimate and vetted service that they can trust.

Business Plan and Strategic Plan Linkages

Strategic Plan Linkages include providing improved customer service to residents of Newmarket and efficient and effective services that respond to resident needs.

Consultation

Staff from Legislative Services and Procurement Services were consulted as part of this report.

Human Resource Considerations

None.

Budget Impact

None.

Attachments

None.

Approval

Mark Agnoletto, Director of Public Works Services

Lisa Lyons, Director of Legislative Services/Town Clerk

Peter Noehammer, Commissioner of Development and Infrastructure Services

Contact

For more information on this report, contact Rob Gillis at 905-953-5300, ext. 2553 or via email at rgillis@newmarket.ca