

Committee of the Whole (2) Report

DATE: Tuesday, June 17, 2025

WARD(S): ALL

TITLE: SERVICE LEVEL AGREEMENT FOR WATER, WASTEWATER
AND STORMWATER LABORATORY SERVICES

FROM:

Emilie Alderman, Deputy City Manager, Public Works

ACTION: DECISION

Purpose

To seek approval to issue a Single Source Award to continue utilizing the York Durham Regional Environmental Laboratory to provide water testing and analysis for the City's water, wastewater and stormwater systems through a new Service Level Agreement.

Report Highlights

- The Safe Drinking Water Act mandates that sampling and testing of drinking water be completed by a provincially accredited laboratory.
- The York Durham Regional Environmental Laboratory is a provincially accredited laboratory and has been providing water testing and analysis services to the City since 1992.
- A Service Level Agreement between the City and York Durham Regional Environmental Laboratory was entered into on Oct.1, 2020 following Council approval.
- The York Durham Regional Environmental Laboratory continues to provide the most tangible benefits to the City for water, wastewater and stormwater testing and analysis services compared to other accredited laboratories.

Recommendations

1. THAT staff be directed to proceed with a Single Source Award to York Durham Regional Environmental Laboratory to provide water testing and analytical services to the City at an upset limit of approximately \$600,000 for an initial five-year term with an additional optional five-year term of anticipated similar value, through a new Service Level Agreement;
2. THAT the Deputy City Manager, Public Works, and the Director of Procurement Services be authorized to negotiate, execute, amend, terminate and administer any resulting related agreements and/or documents in a form satisfactory to the Office of the City Solicitor; and
3. THAT staff provide Council with a communication memorandum in the final year of the initial five-year term to confirm if the optional five-year term with York Durham Regional Environmental Laboratory will be executed, including an update to the approximate upset limit value.

Background

The Safe Drinking Water Act, 2002 mandates a legislative framework for all municipal drinking water systems and provides a consistent set of Province-wide standards to help safeguard drinking water.

Drinking water and drinking water systems are regulated by the Province through the Ministry of the Environment, Conservation and Parks. The *Act* recognizes that people are entitled to expect their drinking water to be safe, high quality, and reliable. It provides for the protection of human health and prevents drinking water health hazards through a multi-faceted approach to control and regulate drinking water systems and drinking water testing.

Ontario has an integrated system of procedures, processes, and tools that collectively prevent or reduce the risk of contamination in drinking water to protect public health.

This multi-faceted approach to protecting drinking water in Ontario was a key recommendation in Justice O'Connor's report on the Walkerton tragedy in 2000. Elements of this approach include source water protection, health-based standards, regular and reliable testing, strong legislative and regulatory framework, mandatory certification and training of drinking water operators, a Provincial inspection and enforcement program, and implementation of an Operational Plan and Drinking Water Quality Management System based on the Drinking Water Quality Management Standard.

Multiple barriers protect the public and ensure that preventative and corrective actions are taken to address potential risks. As water quality sampling is a frontline defense in public health protection, ensuring accurate and consistent sampling is essential to:

- facilitate early detection of potential pathogens
- ensure regulatory compliance
- provide data for informed decision-making
- provide timely corrective action for adverse water quality events

Additionally, ad-hoc testing of wastewater and stormwater is also required on an as-needed basis to protect the natural environment and maintain compliance with the City's Environmental Compliance Approvals, as issued by the Ministry of the Environment, Conservation and Parks.

Ontario Regulation 170/03 mandates that sampling and testing of drinking water be completed by a provincially accredited laboratory.

In Ontario, the Ministry of the Environment, Conservation and Parks oversees the accreditation process including licensing and inspecting laboratories and ensuring compliance with relevant regulations. The City's Environmental Services Department collects more than 4,000 drinking water samples each year to meet the requirements set out in Ontario Regulation 170/03. Drinking water samples taken by the City require microbiological, organic, and/or inorganic analysis to meet the requirements under the *Safe Drinking Water Act, 2002*.

The Ministry of the Environment, Conservation and Parks publishes a list of accredited drinking water laboratories on their website and the tests they are licensed to perform. Of the 48 accredited laboratories in Ontario, 15 laboratories provide testing services that meet the regulatory sampling requirements, and only five out of the 15 laboratories are located within the Greater Toronto Area.

A Service Level Agreement between the City and York Durham Regional Environmental Laboratory was entered into on Oct.1, 2020 following Council approval.

The York Durham Regional Environmental Laboratory is accredited by the Ministry of Environment, Conservation and Parks and is wholly owned and operated by the Regional Municipalities of York and Durham. The City has been using the York Durham Regional Environmental Laboratory for water, wastewater, and/or stormwater testing and analysis since it opened in 1992. Eight of York Region's local area municipalities are exclusively using the York Durham Regional Environmental Laboratory for water testing and analysis services.

A report to the Committee of the Whole (1) on March 3, 2020, and adopted by Council on March 11, 2020, granted authority for the Deputy City Manager, Public Works to enter into a service level agreement with the York Durham Regional Environmental Laboratory for five years. A Service Level Agreement between the York Durham Regional Environmental Laboratory and the City was subsequently executed on October 1, 2020. Staff are now seeking Council authority to enter into a new Service Level Agreement with the York Durham Regional Environmental Laboratory for continued water, wastewater, and stormwater testing and analysis services.

Previous Reports/Authority

[Extract from Council Meeting Minutes of March 11, 2020 \(Item 4, Report No. 9, of the Committee of the Whole \(1\)\), Agreement for Drinking Water Sampling Laboratory Services](#)

Analysis and Options

York Durham Regional Environmental Laboratory continues to provide benefit to the City for Water, Wastewater, and/or Stormwater Sample Testing and Analysis.

Although the five accredited laboratories in the Greater Toronto Area are capable of performing regulatory water, wastewater and stormwater sample analysis, the services that the York Durham Regional Environmental Laboratory provides to the City distinguishes it as the preferred laboratory in providing the best value for money and more importantly, maintaining the high level of service required for drinking water sample testing.

Notably, the York Durham Regional Environmental Laboratory provides:

1. **Uniform and Affordable Fees:** Fee schedules, which are approved by York and Durham Regional Councils, have remained largely unchanged since 2016, apply equally to all customers, and are priced considerably lower than the other local laboratories.
2. **Convenient Sample Collection:** York Durham Regional Environmental Laboratory provides complimentary sample pick-up from the City's Joint Operations Centre twice weekly. Other laboratories typically either charge for pickup service or require sample drop off at designated locations outside of the City.
3. **Timely Reporting:** York Durham Regional Environmental Laboratory adheres to strict reporting deadlines to support prompt corrective action in response to any adverse water quality findings.

4. **Quality Assurance:** Trained laboratory staff ensure proper sample handling and chain of custody, while all microbiological and lead testing is conducted in-house to maintain sample integrity and reduce the risk of non-compliance.
5. **Added Value:** Additional test reports and weekend/statutory holiday service are offered at no extra cost, with service levels meeting or exceeding industry standards.
6. **Integrated Data Management:** York Durham Regional Environmental Laboratory provides free data transfer to the City's water quality software, supporting effective real-time monitoring and trend analysis.

A Single Source Procurement is one where other suppliers are available, however, there are valid and sufficient reasons for selecting one supplier. The City's Procurement Policy provides criteria which must be met to procure via Single Source Award, such as where the supplier has the ability to deliver the services within a specific timeframe, and where the supplier has special knowledge, skills and expertise. Given the scope of the services and required deliverables, the Director of Procurement Services was consulted and is of the view that a Single Source Award is justified.

In consideration of the above, it is recommended that the City continue utilizing the York Durham Regional Environmental Laboratory to provide water, wastewater, and stormwater testing and analysis services for a five-year term plus and additional optional five-year term, through a new Service Level Agreement. This recommended approach provides the City with cost value certainty and a consistent service level.

Financial Impact

Over the last five years, the City has spent an average of \$87,828 per year on water, wastewater and stormwater sampling and testing services provided by the York Durham Regional Environmental Laboratory. The annual budget impact is expected to remain relatively consistent as the York Durham Regional Environmental Laboratory analytical fees have remained largely unchanged since 2016. Any changes to the laboratory fee schedules would need to be approved by York and Durham Regional Councils.

The budget required to complete this work is included in the approved 2025 Environmental Services' annual operating budget. If additional funding is required due to laboratory fee increases, regulatory changes, and/or mandates by the Province, adjustments to the approved budget will be requested through the annual budget process.

Operational Impact

Continuing to use the York Durham Regional Environmental Laboratory Service Level Agreement will provide operational consistency and is not expected to impact other

portfolios and/or departments across the City. This report has been prepared in consultation with Procurement Services and the Office of the City Solicitor.

Broader Regional Impacts/Considerations

There is no impact to the Region.

Conclusion

As a certified and fully accredited laboratory, the York Durham Regional Environmental Laboratory continues to provide high-quality, affordable, and timely laboratory services to the City. Through a Single Source Award, there will be a continuation of services that align with the regulatory requirements under Ontario Regulation 170/03, while providing cost value certainty and a consistent service level for the City, in addition to ensuring flexibility should operational and/or regulatory conditions change.

For more information, please contact Andy Lee, Director of Environmental Services at extension 3974.

Attachments

N/A

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