



The Corporation of the Town of Tecumseh

Public Works & Environmental Services

To: Mayor and Members of Council

From: Phil Bartnik, Director Public Works & Environmental Services

Date to Council: April 27, 2021

Report Number: PWES- 2021-21

Subject: LAS Sewer and Water Line Warranty Program
Service Line Warranties of Canada Inc.
Agreement Renewal Term

Recommendations

It is recommended:

That notice **be provided** to Service Line Warranties of Canada Inc. that the Town intends to allow the 'Renewal Term' within section 3(a) of the Agreement to commence, whereby the Agreement will automatically renew for one additional year starting September 27, 2021.

Background

The Local Authority Service (LAS) Sewer and Water Line Warranty Program (herein Program) offered by Service Line Warranties of Canada Inc. (herein SLWC) provides residents the opportunity for a low cost warranty program that will help repair, replace, or restore this critical infrastructure from the home to the property line, which is often perceived as the municipality's responsibility.

At the July 26, 2016 regular meeting of Council, Council endorsed the Program (Motion: RCM-282/16) and executed a Market Licence Agreement (Agreement) with SLWC on September 27, 2016 to use the Town's name, logo and property information to promote the Program (By-Law 2016-70).

At the May 28, 2019 regular meeting of Council, Council authorized Administration to provide notice to SLWC that it intended to renew the term of the Agreement for one additional year commencing September 27, 2019 (Motion: RCM-153/19).

At the April 28, 2020 regular meeting of Council, Council authorized Administration to provide notice to SLWC that it intended to renew the term of the Agreement for one additional year commencing September 27, 2020 (Motion: RCM-140/20).

Comments

The Agreement between The Corporation of the Town of Tecumseh and SLWC was executed on September 27, 2016. The term of the Agreement is three years from the effective date with an automatic renewal of an additional (one) year term, unless one of the parties gives the other written notice at least 90 days prior to the end of the term or renewal term that it does not intend to renew the Agreement. Council renewed the Agreement for an additional year commencing September 29, 2020. Notice of intent not to renew would be required to be given by June 30, 2021.

Exhibit A of the Agreement outlined three seasonal marketing campaigns to promote SLWC's warranty program. Three campaigns should have been carried out per year (spring, fall and winter) to offer three warranty programs: water service, sewer septic line and in-house plumbing.

Due to unforeseen internal circumstances, SLWC was delayed in rolling out their marketing campaign in 2016. Their first mail-out, to promote their water service line warranty coverage, was delivered to residential property owners in Tecumseh via regular mail in February 2019. An updated sample letter is appended to this report as Attachment No.1.

SLWC intends to continue their marketing campaign primarily for the Water Service Line and the Sewer Septic Line as they are seeing greater interest in those policies, but secondarily would also offer In-House Plumbing to those who have already enrolled for the other policies. The anticipated upcoming campaign schedule would see letters being mailed out in the Spring, Fall and Winter 2021 and the Spring 2022.

SLWC has provided the following update (as of March 24, 2021)

- Residents Enrolled: 305
- Total Policies: 473
- In-House Plumbing: 20 Policies (4 repairs completed)
- Sewer Septic Line: 191 Policies (8 repairs completed)
- Water Service line: 262 Policies (1 repair completed)

In order for SLWC to continue their marketing campaigns, SLWC has requested an additional one-year Renewal Term commencing September 27, 2021. Town Administration will have an opportunity to review and sign-off on all future campaign letters prior to mailing, and will also be given advance notice of the date for the mailings to ensure that the Town's customer service representatives are advised should any inquiries from the public be received and directed to the appropriate SLWC contacts.

The Town will continue to assist in the marketing campaign by communicating the Program on the Town's website and social media avenues. Frequently Asked Questions and a Quick Start

Guide will provide information to residents respecting the warranty program (refer to Attachments No. 2 and No. 3).

Consultations

Financial Services
Service Line Warranties of Canada Inc.

Financial Implications

The Town executed a Market Licence Agreement with SLWC in 2016 through By-Law 2016-70. The Agreement grants SLWC a non-exclusive license to use the Town's name and logo on "letterhead, advertising, billing and marketing materials".

As consideration for the license to use the Town's name and logo, SLWC pays the Town 5% of revenue for warranty products collected from residential property owners during the year. This has resulted in \$1,037.52 and \$1,248.90 being collected by the Town in 2019 and 2020 respectively.

Link to Strategic Priorities

Applicable	2019-22 Strategic Priorities
<input checked="" type="checkbox"/>	Make the Town of Tecumseh an even better place to live, work and invest through a shared vision for our residents and newcomers.
<input type="checkbox"/>	Ensure that Tecumseh's current and future growth is built upon the principles of sustainability and strategic decision-making.
<input checked="" type="checkbox"/>	Integrate the principles of health and wellness into all of Tecumseh's plans and priorities.
<input checked="" type="checkbox"/>	Steward the Town's "continuous improvement" approach to municipal service delivery to residents and businesses.
<input checked="" type="checkbox"/>	Demonstrate the Town's leadership role in the community by promoting good governance and community engagement, by bringing together organizations serving the Town and the region to pursue common goals.

Communications

Not applicable ☒

Website ☐

Social Media ☐

News Release ☐

Local Newspaper ☐

This report has been reviewed by Senior Administration as indicated below and recommended for submission by the Chief Administrative Officer.

Prepared by:

Dana Reid
Clerk I Administrative Clerk

Reviewed by:

Tom Kitsos, CPA, CMA, BComm
Director Financial Services & Chief Financial Officer

Reviewed by:

Phil Bartnik, P.Eng.
Director Public Works & Environmental Services

Recommended by:

Margaret Misek-Evans, MCIP, RPP
Chief Administrative Officer

Attachment Number	Attachment Name
1	Sample letter of marketing campaign
2	LAS Sewer and Water Line Warranty - FAQ
3	Service Line Warranties of Canada – Quick Start Guide