



City of
Peterborough

To: **Members of the Committee of the Whole**

From: **W.H. Jackson, Director of Utility Services**

Meeting Date: **December 12, 2016**

Subject: **Report USDIR16-016**
Approval to Sign Agreement for the Operation of the Millbrook Wastewater Treatment Facility

Purpose

A report to seek approval to sign an agreement with the Peterborough Utilities Services Inc. to operate, maintain and manage the Millbrook Wastewater Facilities.

Recommendations

That Council approve the recommendations outlined in Report USDIR16-016 dated December 12, 2016, of the Director of Utility Services, as follows:

- a) That the City enter into an agreement with Peterborough Utilities Services Inc. for the operation, maintenance and management of the Millbrook Wastewater Facilities in the Township of Cavan/Monaghan for the period January 1, 2017 to December 31, 2021 inclusive and a possible extension for a further 5-year period;
- b) That the following staff be hired to effect Recommendation a:
 - I. Wastewater Operator, Class 4; and
 - II. Lab Technologist
- c) That the 2017 budget for the Environmental Protection Division be adjusted to reflect the agreement referenced in Recommendation a; and
- d) That a By-law be enacted authorizing the Mayor and Clerk to execute a five-year agreement from January 1, 2017 to December 31, 2021 between the City and PUSI.

Budget and Financial Implications

Table 1 provides the contract base fee for the Millbrook Contract as well as the projected fees and costs related to Wastewater only.

Table 1: Fees and Costs for Operation of the Millbrook Wastewater Treatment Facility (Exclusive of HST)

	Item	Jan 1/17 – Dec 31/17	Jan 1/18 – Dec 31/18	Jan 1/19 – Dec 31/19	Jan 1/20 – Dec 31/20	Jan 1/21 – Dec 31/21
1	Total Contract Fees	\$339,381	\$387,888	\$398,650	\$411,116	\$423,978
2	Wastewater Fees	\$219,000	\$215,000	\$220,000	\$225,000	\$231,000
3	Wastewater Costs	\$192,000	\$190,000	\$194,000	\$199,000	\$203,000
4	Wastewater Difference (3-2)	\$ 27,000	\$ 25,000	\$ 26,000	\$ 26,000	\$ 28,000

Other activities that may be required include items such as providing installation and/or inspection of new sewer connections, flushing of sewer mains, repairing sewer leaks. All of these other activities have been costed separately and costs to undertake these works will be fully recovered.

The Lab Technologist will only be a quarter funded from this Agreement. Additional work related to potable water sampling combined with reduced expected overtime because of the additional FTE will further reduce the additional costs required. A significant benefit of this position will be the ability of the Environmental Officer, Chief Chemist and QAQC Chemist to spend more time doing their specified jobs rather than back filling laboratory work. Any surplus revenue from this agreement will be put into the Wastewater Reserve Fund.

Background

On October 7, 2016 RFP PW-16-02 was issued by the Township of Cavan/Monaghan for the Operation, Maintenance and Management of the Millbrook Water Supply and Wastewater Facilities. The closing date for the RFP was October 26, 2016.

The Peterborough Utilities Services Inc. (PUSI) submitted a response to this RFP. The City of Peterborough Utility Services Department (USD) was included as part of the response for the purpose of operating, maintaining and managing the wastewater aspect of this assignment.

Description of RFP

The services requested include the operation, maintenance and management (including asset protection) of the Millbrook water supply and wastewater facilities.

With respect to wastewater treatment, some of the required activities include:

- Ensure daily operations of the wastewater treatment and collection systems comply with Environmental Laws;
- Undertake all required inspections of equipment and processes
- Check pumping station to ensure proper operation
- Clean grit channels
- Monitor and adjust dosages of process chemical as required
- Record and analyze chemicals used, chlorine residuals, disinfection, process water and wastewater flow calculations;
- Collect samples and perform routine wastewater tests;
- Carry out routine maintenance as required.

The RFP is for an initial 5-year contract (2017 to 2021) with a possible 5-year extension.

Results of RFP

The Council of the Township of Cavan/Monaghan at its meeting of November 21, 2016 awarded the Operations, Maintenance and Management of the Millbrook Water Supply and Wastewater Facilities to PUSI for the amount of \$2,015,513, exclusive of HST for a five-year period January 1, 2017 to December 31, 2021.

There were three submissions to the RFP. The price for the PUSI bid was in the middle but the PUSI bid excelled in the areas of the proposed maintenance plan, the personal assigned to the project and the asset protection plan. In total, the PUSI bid ranked highest and was subsequently awarded the contract.

Next Steps

The next steps from the City's perspective will be to put into action all of the proposed operating, maintenance and management plans described in the RFP submission. This will include the purchase of certain computer packages for reporting purposes, the hiring and assigning of staff to the project and the purchase of a vehicle. PUSI is the lead on this project and, accordingly, purchases will be undertaken according to their Purchasing Policy.

An agreement will be executed between PUSI and the Township to put this award into effect. A second agreement will be executed between PUSI and the City to clarify and set out the respective rights and obligations of PUSI and the City in this endeavour.

Timelines

The contract starts on January 1, 2017 and, accordingly, much planning is now underway to ensure all requirements are met for a smooth start-up. One of the requirements is the execution of an agreement between PUSI and the City. This agreement is actively being crafted now and the purpose of this report to allow the agreement to be signed when completed.

Summary

The PUSI has been successful in being awarded the operation, maintenance and management of the Millbrook Water Supply and Wastewater Facilities. The City will undertake all the activities related to wastewater.

The contract will start on January 1, 2017 and, accordingly, supplies, equipment, labour and contracts are presently being sourced and developed.

Submitted by,

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