REPORT OF THE

STANDING POLICY COMMITTEE ON PUBLIC WORKS

DATED JUNE 28, 1999

On motion of Councillor De Smedt, the Report of the Standing Policy Committee on Public Works, dated June 28, 1999, was considered clause by clause.

Moved by Councillor De Smedt,
That the Consent Agenda, Clauses 1,2 and 3, be adopted.

Carried.

Award of Building Cleaning Services at 1155 Pacific Avenue - Tender No. 666-99 File GL-9 (Vol. 13) [c/r FB-1 (Vol. 6)]

767 - 1. The Standing Policy Committee on Public Works has been advised that the tender call for Building Cleaning Services at 1155 Pacific Avenue was initiated by the Building Services Division of the Public Works Department, in May of 1999. The following three (3) cleaning companies returned bids and met all specifications in response to the tender call for twenty-nine (29) months, namely:

TOTAL BID PRICE	
FIRMS	BID PRICE
Titan Building Maintenance Ltd.	$ 67,185.00
A. Leader Building Cleaning Services	$ 84,400.00
J & R Building Maintenance	$ 74,974.00

Notably, the bids are based on a thirty (30) month period, whereas the contract is to be awarded for a period of twenty-nine (29) months. In accordance with Clause SC: 8 Commencement of Work, the work shall commence on August 1, 1999.

Titan Building Maintenance Ltd. met all the requirements and has the necessary resources to perform the work. The Materials Management Division has advised that two (2) tender submissions were accompanied by Bid Bonds and Agreements to Bond; one (1) tender submission was accompanied by a Bank Draft in the amount of $21,100.00. All tender deposits have been certified by Legal Services and were delivered to the Treasury Section on May 26, 1999. There were no Sub-Contractors listed in Form C1: Sub-Contractors.

Sufficient funds for this contract are identified in the Current Estimates in the Public Works Department Account Number 53-552103-250404, in the amount of $11,197.50

Bids are open for acceptance until July 31, 1999.

A financial impact statement has been prepared in accordance with the recommendation contained in a report dated November 18, 1997, submitted to and approved by the Standing Committee on Fiscal Issues on November 24, 1997.

The Standing Policy Committee on Public Works recommends:

I. That the tender submitted by Titan Building Maintenance Ltd. for 1155 Pacific Avenue be accepted for a twenty-nine (29) month period, beginning August 1, 1999 and ending on December 31, 2001.

Monthly cost of $2,239.50. Price per term of contract $64,945.50.

II. That the Director of Public Works be authorized to award a twenty-nine (29) month contract prior to the approval of budgeted funds for the years 2000 and 2001.

Yearly cost estimates are as follows: 2000 - $ 26,874.00
2001 - $ 26,874.00

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III. That the Proper Officers of the City be authorized to do all things necessary to implement the foregoing, including the execution of any documents related thereto.

A copy of the documents referred to in the above clause are on file in the office of the City Clerk.

Adopted by consent.

Authority to Cooperatively Purchase Interactive Voice Response Services for Water Meter Reading Program
File WW-2.7 (Vol. 19)

768 - 2. The Water and Waste Department has operated an in-house Interactive Voice Response (IVR) system for water meter readings since 1994. In 1996, the IVR system was upgraded at a cost of approximately $12,000.00. However, the vendor no longer supports the software and the system is not Y2K compliant. In 1997, the Department learned that Manitoba Hydro and Centra Gas were interested in purchasing similar IVR services. The three utilities decided to explore a joint initiative to purchase IVR services to meet similar customer needs at significant cost savings.

The existing IVR system receives approximately 1,900 water meter readings each day. Because the Department relies on customers to self-read their water meters a minimum of three of four quarters a year, the existing IVR system is operating at capacity with waiting times in excess of five minutes during peak times. Because the current system is not Y2K compliant, it must be replaced.

The Department has considered two approaches to providing this service: Alternative 1, the purchase of service under contract; and Alternative 2, the in-house development and support of an IVR system. Each alternative has been evaluated according to four criteria: cost, life expectancy of the system, service improvements and implementation risk.

Alternative 1: Purchase Service

The total cost of the contract would be a maximum of $146,000.00 with no additional annual charges for telephone lines or maintenance. The MTS system would be Y2K compliant and would also eliminate busy signals along with waiting time which represents a significant improvement in service to customers. Implementation risk is minimal as the system is successfully operating at Manitoba Hydro and Centra Gas. Based on their experience, no installation problems are expected. Life expectancy of the MTS system is not a concern. Under the terms of the contract, technical modifications and upgrades to prescribed service levels are the responsibility of MTS.

Alternative 2: In-house Development and Support

The cost to develop the new system would be approximately $180,000.00, including $60,000.00 for software development, hardware and programming, and $40,000.00 per year for maintenance and telephone line charges. The in-house system would have a life expectancy of three years. This alternative poses significant implementation risk to the Water and Waste Department. Currently only one programmer has the technical knowledge to develop and support an IVR system. In terms of service improvements, the in-house system would not eliminate all busy signals and waiting times experienced by customers. To eliminate these service problems completely would require additional telephone lines which would not be fully utilized except during peak periods at a significant additional expense.

The Water and Waste Department did not undertake a formal RFP process in this instance, as Section 11 of the Purchasing Policy allows the City of Winnipeg to enter into a cooperative purchase with one or more public authorities without prior solicitation. The Inter-Utility Group, of which the Water and Waste Department is a member, jointly evaluated the informal proposals submitted to provide IVR services. The evaluation indicated that MTS NetCom Inc. offered the best service and price. In January of 1999, Manitoba Hydro and Centra Gas successfully installed the MTS Meter Reading IVR system.

The volumes of calls received by Centra Gas, Manitoba Hydro and the Water and Waste Department have been combined to take advantage of the best price per call at a 30% reduction in cost to each utility. In 2001, the rate per call may drop an additional 20% as both Manitoba Hydro and Centra Gas expand their use of the IVR system. (This potential further reduction in cost is not reflected in the $145,000.00 price of the system quoted earlier.)

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The Water and Waste Department is recommending the cooperative purchase of IVR services from MTS NetCom Inc. The duration of the contract is for a three-year term with an estimated start date of July 1, 1999. The award of a three-year contract must be authorized by Council in accordance with the City of Winnipeg Purchasing Policy. The Director of Water and Waste Department has the delegated authority to award the contract following authorization by Council.

The out sourcing of the IVR system will allow for the existing IVR programming resources to be redeployed to other Departmental information technology initiatives.

A financial impact statement for the utilization of funds for this project has been prepared in accordance with the recommendation contained in a report dated November 18, 1997, submitted to and approved by the Standing Committee on Fiscal Issues on November 24, 1997. Funding is available in the 1999 Current Estimates adopted by Council on March 15, 1999 (Account No. 43-060101-552602), and has been identified in the Preliminary 2000 and 2001 Current Estimates.

The Standing Policy Committee on Public Works recommends:

I. That the City of Winnipeg, in conjunction with Centra Hydro Energy Services enter into a contract to cooperatively purchase Inter-Active Voice Response (IVR) services from MTS NetCom Inc. for a three-year period at a maximum cost of $40,000.00 in 1999, and $53,000.00 in both 2000 and 2001.

II. That the Proper Officers of the City be authorized to do all things necessary to implement the foregoing, including the execution of any documents related thereto.

A copy of the documents referred to in the above clause are on file in the office of the City Clerk.

Adopted by consent.

Approval for Construction of a Wastewater Sewer in Victoria Crescent between Victoria Row and Victoria Grove
File WS-5(35) (Vol. 1)

769 - 3. In May of 1998, the installation of a wastewater sewer in Victoria Row was successfully advertised as a local improvement for construction in 1999 and is an approved capital project. The installation of a wastewater sewer in Victoria Crescent, north leg, was also advertised at this time, but was petitioned against, and later recommended not to be proceeded with, as shown in Figure 1, identified as Appendix “A” to this document.

In the Fall of 1998, a wastewater sewer lift station was constructed in Victoria Crescent at Lotus Lane to serve the Victoria Crescent area as an approved capital project.

The wastewater sewer in Victoria Row has been successfully petitioned for installation by local improvement, however it does not have an outlet to the City sewer system. The wastewater sewer in Victoria Crescent, between Victoria Row and Victoria Grove, is required to convey wastewater from the proposed wastewater sewer in Victoria Row to the lift station in Victoria Crescent. This portion of the sewer collection system is unfunded because it was advertised, and then recommended not to proceed as a local improvement in May, 1998. The project cannot be advertised again as a local improvement until May of the year 2001.

There is some urgency and cost saving to the City to advance the construction of this short section of sewer inasmuch as the Public Works Department currently has funding in place to restore the roadway system in the Victoria Crescent area, which was damaged during the 1997 flood. However, the work must be done this summer or funding will be lost. If the subject sewer is constructed prior to the roadway restoration work, the sewer project will be spared significant roadway restoration costs.

There are two fronting properties that could benefit from the installation of this portion of sewer in Victoria Crescent, which means part of the cost of this sewer would ultimately be recovered when these two properties connect to the system. A connection charge equivalent to the current local improvement rates may be imposed under Clause 13(2)(b) of the Sewer By-law No. 7070/97.

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Surplus cash flow forecasted funds in the amount of $36,500.00 are available in Capital Account No. 44 118112 5192061002, being the Pumping Station - Victoria Crescent and Lotus Lane project, to construct the required wastewater sewer.

If the installation of the wastewater sewer in Victoria Crescent, north leg, is not approved, it will not be possible to service the eight homes on Victoria Row, where only 28.8% voted against the local improvement.

A financial impact statement for this project has been prepared in accordance with the recommendation contained in a report dated November 18, 1997, submitted to and approved by the Standing Committee on Fiscal Issues on November 24, 1997.

The Standing Policy Committee on Public Works recommends:

I. That the capital project entitled "Pumping Station - Victoria Crescent and Lotus Lane" be redefined to include the construction of a wastewater sewer in Victoria Crescent, between Victoria Row and Victoria Grove.

II. That $36,500.00 in surplus cash flow forecasted funds from the Pumping Station - Victoria Crescent and Lotus Lane project, Capital Account No. 44 118112 5192061002, be utilized to construct the wastewater sewer in Victoria Crescent.

III. That the Proper Officers of the City be authorized to do all things necessary to implement the foregoing, including the execution of any documents related thereto.

A copy of the documents referred to in the above clause are on file in the office of the City Clerk.

Adopted by consent.

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CONSIDERATION OF BY-LAWS

770 - On motion of Councillor De Smedt, By-law No. 7492/99, a by-law of The City of Winnipeg to authorize the undertaking of certain local improvements during the year 2000, was read a first, second and third time, the rule being suspended for the third reading, and was passed and ordered to be signed and sealed. File SL(1999) (Vol. 1)

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QUESTION PERIOD

771 - In reference to a report from Winnipeg Hydro pertaining to the purchase of another generator for the facilities out of Pointe du Bois, Councillor Timm-Rudolph questioned why the report was not before Council or at least some acknowledgement that the issue went to Executive Policy Committee and was laid-over. Councillor Timm-Rudolph requested that Council be provided with a written explanation of the process to be followed along with some explanation as to why a specific direction was chosen.

Councillor De Smedt agreed to take the question under advisement while deferring the matter to His Worship Mayor Murray for comment. His Worship added that the Hydro review team, reviewing options for the future of Winnipeg Hydro had delayed their review process due to Manitoba Hydro's announcement of its planned acquisition of Centra Gas inasmuch as it impacted on the study results and that review team members were attending the Public Utility Board Hearings to assess the implications of the acquisition on Winnipeg Hydro. He further noted that a report should be received sometime in September or October.