Minutes – Executive Policy Committee – July 11, 2018

Report – Standing Policy Committee on Property and Development, Heritage and Downtown Development – June 25, 2018

Item No. 13 Authority to Negotiate and Approve Manitoba Hydro Indemnities for the Purposes of a Retro-Commissioning Program

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Property and Development, Heritage and Downtown Development and submitted the following to Council:

1. That the City enter into, execute and deliver an Indemnity with Manitoba Hydro in order to allow the City to retrofit or install new "smart" meters, and such other agreements as determined necessary by the City Solicitor/Director of Legal Services to implement the intent of the foregoing (the "Ancillary Agreements").

2. That authority be delegated to the Chief Administrative Officer to negotiate and approve the terms and conditions of the Indemnity and the Ancillary Agreements, in accordance with this report and such other terms and conditions deemed necessary by the City Solicitor/Director of Legal Services to protect the interests of the City.

3. That authority be delegated to the Chief Administrative Officer to negotiate and approve the terms and conditions of all future similar Indemnities for the retrofitting of "smart" meters in accordance with this report and such other terms and conditions deemed necessary by the City Solicitor/Director of Legal Services to protect the interests of the City.

4. That the proper officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Report – Standing Policy Committee on Property and Development, Heritage and Downtown Development – June 25, 2018

DECISION MAKING HISTORY:

Moved by Councillor Orlikow,

That the recommendation of the Standing Policy Committee on Property and Development, Heritage and Downtown Development be concurred in and forwarded to Council.

Carried

STANDING COMMITTEE RECOMMENDATION:

On June 25, 2018, the Standing Policy Committee on Property and Development, Heritage and Downtown Development concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

ADMINISTRATIVE REPORT

Title: Authority to negotiate and approve MB Hydro indemnities for the purposes of a retro-commissioning program

Critical Path: Standing Policy Committee on Property and Development, Heritage, and Downtown Development – Executive Policy Committee – Council

AUTHORIZATION

Author	Department Head	CFO	CAO
B. Erickson	J. Kiernan	N/A	M. Ruta Acting CAO

EXECUTIVE SUMMARY

On October 13, 2017, the Standing Policy Committee on Innovation approved a retro-commissioning program for City buildings in order to: significantly improve the performance of facilities; enhance occupant experience via through improved temperature control and better indoor air quality; reduce the amount of occupant complaints; and deliver up to fifteen percent (15%) in energy savings (the "Program"). Twenty (20) buildings were selected for the first phase of the Program.

One of the proposed Program initiatives was the installation of new "smart" meters. Integrated into building automation systems, "smart" meters will provide necessary real-time data to optimize the performance of the building systems and identify performance issues. In order to connect to existing gas meters or to install new meters, Manitoba Hydro ("Hydro") requires the City to sign a "Manitoba Hydro Access to Meter and/or Metering potential and Current Transformers Release & Indemnity" agreement (the "Indemnity") for each affected device. It is estimated that up to 496 buildings out of 1,152 facilities in the Municipal Accommodations portfolio will require at least one Indemnity approved. Approval of the Indemnities is required to effectively collaborate with Hydro and to avoid delays in Program implementation.

RECOMMENDATIONS

1. That the City enter into, execute and deliver an Indemnity with Manitoba Hydro in order to allow the City to retrofit or install new "smart" meters, and such other agreements as determined necessary by the City Solicitor/Director of Legal Services to implement the intent of the foregoing (the "Ancillary Agreements").

2. That authority be delegated to the Chief Administrative Officer to negotiate and approve the terms and conditions of the Indemnity and the Ancillary Agreements, in accordance with this report and such other terms and conditions deemed necessary by the City Solicitor/Director of Legal Services to protect the interests of the City.

3. That authority be delegated to the Chief Administrative Officer to negotiate and approve the terms and conditions of all future similar Indemnities for the retrofitting of “smart” meters in accordance with this report and such other terms and conditions deemed necessary by the City Solicitor/Director of Legal Services to protect the interests of the City.

4. That the proper officers of the City do all things necessary to implement the intent of the foregoing.

REASON FOR THE REPORT

The Chief Administrative Officer (CAO) has authority under the Execution of Documents By-law (78/2015) to sign “applications for licenses and permits necessary to carry on the operations of the City”; however, the approval to enter into the requisite agreement must be delegated to the CAO by Council.

IMPLICATIONS OF THE RECOMMENDATIONS

If the Recommendation is approved, the CAO will be authorized to approve the terms and conditions of Indemnities required to install new, and utilize existing, “smart” meters in City buildings. This will ensure that the Program is implemented efficiently.

HISTORY/DISCUSSION

On October 13, 2017, the Standing Policy Committee on Innovation approved the retro-commissioning Program for City buildings. The Program should significantly improve the performance of facilities including “tune ups” of building systems for optimum performance for the programs occupied, to make facility occupants more comfortable through improved temperature control and better indoor air quality, to reduce the amount of occupant complaints, and to deliver up to fifteen percent (15%) in energy savings, as much as eighteen cents per square foot ($0.18/sq. ft.) in non-energy related savings.

Twenty (20) facilities with total size of 1,114,183 sq. ft. were selected for this phase of the Program based on their operational importance, condition, and age. The Program will encompass assessment of the facilities, development of a list of deficiencies, execution of retro-commissioning corrective actions, installation of “smart” meters (“Smart Meters”), and deployment of an energy management and building performance analytic software. Integrated into building automation systems, Smart Meters will provide necessary real time data to optimize the performance of the building systems and identify performance issues.

In order to connect to existing gas meters or install new gas meters capable of providing necessary data, Hydro requires the City to sign Indemnities for each affected device. While larger facilities may have multiple gas meters, it is estimated that up to 496 buildings out of 1,152 facilities in the Municipal Accommodations portfolio will require at least one Indemnity approved. The ability to efficiently negotiate and approve any Indemnities required for the Program will allow the Municipal Accommodations Division to effectively collaborate with Hydro in order to avoid unnecessary delays in Program implementation.

FINANCIAL IMPACT

Financial Impact Statement Date: June 11, 2018

Project Name:

Authority to negotiate and approve MB Hydro indemnities for the purposes of retro-commissioning program

COMMENTS:

There are no financial implications associated with this report.

"Original Signed By"
Mike McGinn, CPA, CA
Manager of Finance

CONSULTATION

This Report has been prepared in consultation with:

Legal Services (as to legal issues)

OURWINNIPEG POLICY ALIGNMENT

The information and progress outlined in this report are in accordance with the policies and programs reflected in the City's Council-adopted 25-year blueprint OurWinnipeg through "A City That Works – Direction 1:

"Provide efficient and focused civic administration and governance:

Prioritize public investment in essential and mandated front-line services.

Continuously pursue innovative, streamlined service delivery and decision-making processes.

Demonstrate accountability through service performance measurement and reporting.

Periodically review and report on the financial management plan, which provides financial strategies and targets, with a view to long term financial health and sustainability.

Continue to implement life-cycle costing for capital projects and consider all relevant financing and delivery options.

Consider, review, and implement new alternative service delivery options as appropriate based on a comprehensive business case, ensuring adequate financial controls.

Support a competent, productive and healthy workforce through strategic human resource planning that promotes flexible human resource systems, invests in human resource development and is based on values of equity, diversity, innovation and accountability. Provide a predictable property and business assessment process that is efficient, effective and equitable. Maintain policies to manage investments in physical assets, including infrastructure, fleet and facilities to ensure effective procurement, maintenance, replacement and disposal."

SUBMITTED BY

Department: Planning, Property and Development
Division: Municipal Accommodations
Prepared by: Michael Kupchin
Date: June 11, 2018
File No: MA2018-103 / CT.4/2018(5X)