

COMMITTEE OF THE WHOLE - JUNE 18, 2007

DRINKING WATER QUALITY STANDARDS – CONSULTANT ADDITIONAL FUNDING REQUEST

The Commissioner of Engineering and Public Works, in consultation with Purchasing Services Department staff and the Director of Reserves & Investments recommends:

1. That BRI International Inc. and RV Anderson be sole-sourced to develop the City's Drinking Water Quality Management System, to meet the requirements of the Ministry of Environment's Municipal Drinking Water Licensing program, as outlined in the Safe Drinking Water Act, 2002; and,
2. That additional funds in the amount of \$41,500 from the water reserve be approved to carry out this work and,
3. That the inclusion of the matter on a public Committee or Council agenda with respect to increasing the capital budget identified as Drinking Water Quality Standards – Consultant Additional Funding Request is deemed sufficient notice pursuant to Section 2 (1) (c) of Bylaw 394-2002;

Economic Impact

In 2005, as part of the 2006 budget process, \$52,000 was requested under Capital account 1609-0-06 for this work. As the Ministry has released more details as to the Drinking Water Quality Management System and its requirements, the scope and size of the project has increased. The cost submitted by BRI International and their partner RV Anderson to perform this work has been estimated at approximately \$90,500 including taxes. Including the 3% finance admin fee and additional \$41,500 is required.

Communications Plan

Once the plans have been developed and implemented, they will form part of the City's every day procedures relating to the provision of drinking water and the operation of the system. In addition, these procedures will be audited by a third party to obtain accreditation and ensure compliance with the Ministry of Environment's (MOE's) requirements. Once approved, they will be posted in key buildings and made available on the web for public access.

Purpose

To hire BRI International Inc. and their partner RV Anderson to develop the City's Drinking Water Quality Management System, in accordance with MOE requirements.

Background - Analysis and Options

In order to obtain a Drinking Water License from the Ministry of Environment, the City must implement a Drinking Water Quality Management System (DWQMS), in accordance with the Province's Drinking Water License Program. The DWQMS must outline the owner/operating authority's processes and procedures for the overall management and operation of the drinking water system. In addition, the City must successfully pass an audit and receive an Accreditation "stamp" from a third party Accrediting body stating that they have fulfilled the requirements of the MOE's DWEQMS.

In November of 2006, the MOE issued a draft guide on how to implement the Standard. The DWQMS is a combination of ISO 9000 (quality standard), ISO 14000 (environmental standard), and HACCP (Hazard Analysis Critical Control Points). There are 21 elements that must be addressed in the Standard.

As required by law, the City must implement Operational Plans and Quality Management Standards in order to obtain a Drinking Water License. Failure to obtain this license will result in fines to the City in the order of \$6,000,000 (max) for the first offence, and up to \$10M for subsequent offences.

As part of the process, the City must implement a Quality Management Standard in accordance with the DWQMS, develop and submit an Operational Plan with the Operating Authority, develop and submit a Financial Plan, ensure that the system is being operated by an Accredited Operating Authority, and ensure compliance with the terms and conditions of the license and its components.

In order to develop and implement such plans and procedures, a consulting firm that specializes in the development and implementation of quality management systems is required. BRI International (BRI) has done, and is doing, work for York Region and BRI has recently been awarded the contract with the Town of Markham to perform a strategic review and a gap analysis of the Town's Waterworks as part of their DWQMS. The Town had set the maximum price to be paid for this work at \$40,000, and the bidders were reviewed on the basis of past experience in implementing DWQMS, corporate program delivery reviews and gap analysis, and development of corporate strategic initiatives. In addition, weighting was also given to qualifications and experience of the lead consultant, and the project delivery. Staff from the other York Region area municipalities are also discussing the use of BRI due to the interconnectivity of our drinking water systems. Through the work already done with York Region, BRI is also aware of how the drinking water systems are interconnected.

Based on all of the above, Public Works staff held discussion with BRI regarding not only performing a gap analysis like Markham went out to tender for, but for the entire DWQMS project. BRI came back with a detailed work plan at a cost of approximately \$90,500 including GST. Considering the cost to provide Markham with a gap analysis and a strategic review, Public Works would like to engage BRI and their partner RV Anderson to develop the City's DWQMS at the submitted price of approximately \$90,500.

As part of the process, BRI as the lead consultant, and their partner RV Anderson, will work with various City staff to:

- Undertake a gap analysis
- Develop an implementation plan
- Develop operational plans (draft and final)
- Employee and Council awareness Training
- Conduct a "shadow" audit for pre-accreditation and assist in corrective actions for such audits
- Assist in corrective actions from Accreditation Audits

Schedule 1 of Regulation 188/07, requires the City to submit its plans by January 1, 2009. If work is commenced this summer, the City's QMS and Operational Plans will be ready for an Accreditation Audit by January 1, 2009, and if revisions are required by the Ministry, any follow-up to meet these needs will form part of the deliverables of this project.

In addition to Public works staff, this work will require the involvement of staff from Engineering Services, Development Engineering, Finance, Purchasing, Planning, Human Resources, and Legal. The time commitment for this project is large, but is necessary to ensure compliance with the Safe Drinking Water Act.

Relationship to Vaughan Vision 2007

This report is consistent with the priorities previously set by Council and complies with Vaughan Vision:

A-1 Pursue Excellence in the Delivery of Core Services
A-3 Safeguard Our Environment
D-4 Communicate Effectively

Regional Implications

The awarding of this work will not impact the Region. Although the systems operate independently in the view of the MOE, they are tied together, and since BRI has worked with the Region, it will be beneficial to have some consistency in DWQMS with the Region.

Conclusion

By January 1, 2009, the City must submit their DWQMS to the MOE in order to be an accredited operating authority. BRI and RV Anderson will work with various City staff to develop the necessary plans and procedures to ensure compliance with the MOE's requirements.

Should Council concur with the additional funding request this action would be considered as an amendment to the Capital Budget. Pursuant to the Municipal Act 2001 Sec 291 (1) before amending a budget, a municipality shall give notice of its intention to amend the budget at a Council meeting. Where a capital project has been subject to a public meeting during the adoption of the approved capital budget and where additional funding is required to complete the approved works, inclusion of the matter in a staff report requesting additional funding on a public Committee or Council agenda is deemed to be sufficient notice pursuant to Section 2(1) (c) of Bylaw 394-2002.

Attachments

N/A

Report prepared by:

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Respectfully submitted,

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Commissioner of Engineering and Public Works

Brian T. Anthony
Director of Public Works