

OCWA back at bidding table

By Nate Smelle

Despite the recommendations of the consultants at DM Wills Associates, council has decided to allow the Ontario Clean Water Agency (OCWA) to re-enter the bidding process for the contract to become the operator of the Bancroft's water and wastewater systems. During their meeting on June 27, council voted to exclude OCWA from the next phase of the selection process by passing a resolution to move ahead with negotiations between the two top ranking companies ? Veolia Environmental Services (VES) and Peterborough Utility Services Inc. (PUSI). Under OCWA's management of the current system, taxpayers have seen their rates for water and wastewater services increase by 53 per cent to make up for a \$2 million deficit.

Following the closed session which began the meeting at the Dungannon Recreation Centre on Aug. 8, council announced that OCWA would be taking part in the next phase of negotiations. After the meeting, acting mayor Paul Jenkins explained council's decision.

?OCWA felt that some of the information they had submitted in their bid was misinterpreted or not portrayed accurately in the evaluation of their bid,? he said.

?They also felt that based on their long history with providing services to the town and the fact that their bid was the lowest that they should be permitted to continue in the final stage of the bidding process ? after extensive deliberation the town agreed.?

Jenkins said that while OCWA's bid was the lowest, the other firms' bids contained additional services. He said the final stage of the bidding process will outline a common operational model for participants to bid on. According to Lord, there were a few main factors leading to the two firms being selected to enter into the next stage of negotiations with the town. PUSI was ranked the highest among all the firms coming in with the highest-priced bid. Their proposal eliminated the need for unknown costs to the town by keeping maintenance and repairs of the system in-house opposed to contracting them out. If selected they intend to hire four full-time employees to operate the system seven days a week. PUSI also agreed to provide the town with rebates from any additional cost savings they find.

Ranked second, VES would hire three full-time employees to manage the operation of the town's water and wastewater system for five days a week. Unlike PUSI's proposal, their plan does not offer the town any additional savings beyond the savings established in the initial contract. OCWA's proposal came in as the lowest bid. Like VES they would operate the plant five days a week, however they would only hire two full-time staff. Under OCWA there would also be no potential for additional savings to the town except for those established in the new contract.

Whereas PUSI plans to handle maintenance in-house, VES and OCWA both intend to contract out such services when they are required. Michael Lord, a consultant with DM Wills Associates told council at the June 27 meeting that the mark-up on materials and third-party services can become a significant dollar value for the municipality.

?Anytime let's say a backhoe is rented with an operator, a pump is acquired, or any type of outside service that is not done in-house is needed there is a 12 per cent mark-up,? said Lord.

?Right now, under the current service agreement it is 15 per cent, but OCWA has lowered that to 12 per cent. VES's mark up is 15 per cent and PUSI is zero per cent.?

The town's contract with OCWA ends at midnight on Dec. 31, 2017. Council expects to have made their decision and awarded the contract by sometime in September.