



Corporate NO: R159

Report COUNCIL DATE: July 16, 2001_

REGULAR COUNCIL

TO: Mayor & Council **DATE: July 4, 2001**

FROM: General Manager, Engineering **FILE: 1200-241-11**

SUBJECT: Agreement Execution in Council's Absence for Water Meter Program

RECOMMENDATION

1. That Council approve, in principle, the proposed agreement with BCG Services for the Water Meter Incentive Program.
2. That in Council's absence, the City Manager be authorized to execute the Water Meter Program Agreement with BCG Services Inc.

DISCUSSION

Staff have negotiated an agreement with BCG Services for the delivery of the voluntary metering program. BCG Services Inc. were the preferred proponents from a Request for Proposals issued late in 2000, as reported to Council under Corporate Report CC 006. Since February, staff have been negotiating the terms of the agreement, which is now finalized. The City Solicitor has reviewed the agreement.

The agreement is structured such that BCG Services, a subsidiary of B.C. Gas Inc., will not only supply and install the meters, but will also do the marketing and education necessary to attract customers to the program. They will also assist the City with developing a utility rate structure.

Marketing and education programs will be launched at the outset of the project to attract customers to volunteer for a water meter. Customers will call the BCG Services' call centre where an employee or sub-contractor will be dispatched to install the meter. After installation, customers will be left with conservation education material, water conservation devices and contact information. A customer survey card will also be left behind as part of BCG Services Quality Control Program.

The cost of the project is \$9.0 million over three years. \$3 million has been identified in the Water Utility Program for this project in the 2001 Budget. As an incentive to install more meters, the payment structure to

BCG Services is set up such that the unit cost per meter installed increases incrementally after every 5,000 meters. Overall program costs are equal to the original proposal. Also, should the voluntary program fail to attract the targeted number of customers, there is a trigger to convert to a mandatory program at Council's option.

The City applied for a grant under the Canada B.C. Infrastructure Program for two-thirds of the cost of the \$9.0 million project. Announcements for the grants are not anticipated until late July. To take advantage of a marketing window during this summer, BCG Services would like to start the project should the grant be received. Since this coincides with Council's recess, we are requesting that Council delegate authority for executing the agreement.

Jorgen Johansen, P. Eng.
General Manager, Engineering

PH/MD:brb/kjj/sew

c.c. - Acting General Manager, Finance, Technology & HR Dept.