

NO: **R015**

COUNCIL DATE: **FEBRUARY 3, 2014**

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## REGULAR COUNCIL

TO: **Mayor & Council**

DATE: **January 27, 2014**

FROM: **Acting General Manager, Engineering**

PROJECT FILE: **1214-401**

SUBJECT: **2014 Operation Save H<sub>2</sub>O Program**

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## RECOMMENDATIONS

The Engineering Department recommends that Council:

1. Receive this report as information;
2. Award Contract No. 1214-401/01 related to the management of the 2014 Operation Save H<sub>2</sub>O Program (the "Program") and to researching information for and preparation of related educational materials for the Program to Dillon Consulting Ltd. in the amount of \$100,000 including applicable taxes;
3. Award Contract No. 1214-401/03 for the student salary component of the 2014 Operation Save H<sub>2</sub>O Program to Dillon Consulting Ltd. in the amount of \$132,600 including applicable taxes; and
4. Set the expenditure authorization limit for the subject contracts at \$256,600 including applicable taxes and contingency.

## INTENT

The purpose of this report is to provide information about the Operation Save H<sub>2</sub>O Program for 2014 and to obtain approval to award contracts in support of the Program.

## BACKGROUND

The Program was initiated in 2008 to promote water conservation in Surrey. The Program is focused on improving stewardship of the Region's water resources. This outcome is achieved through providing homeowners with information and strategies about reducing water usage, which will also save them money.

The education component of the Program is delivered by means of teams of students traveling on bicycles within the City's neighbourhoods delivering information on a door-to-door basis. Each team is intended to be an approachable and friendly face to the community throughout the duration of the delivery of the Program. The teams answer questions raised by residents regarding water and sewer utility charges and offer information that is intended to assist residents in reducing their use of water.

## DISCUSSION

### **2013 Operation Save H<sub>2</sub>O Program**

In 2013, the Program was focused on residences that used higher than average amounts of water based on the utility invoices issued by the City. Four (4) post-secondary and four (4) high school students were employed from May through August to deliver information to approximately 2,000 homes. In addition to spending time going door-to-door, the students also attended community events to encourage homeowners to take advantage of the City's Volunteer Water Metering program. Two (2) post-secondary students were retained for an additional four (4) months through to December to meet the high demand from schools for classroom visits and to provide water conservation education to owners in the commercial and business sectors.

The information provided by the students to homeowners included methods for both outdoor and indoor water conservation. The students reviewed site-specific opportunities and suggested simple changes that would result in significantly lower water consumption and, in turn, lower water and sewer utility charges.

The residents realize savings from the Program through reduced utility charges. The City also realizes cost savings through a reduction in the cost of pumping water and, more significantly, in the deferral of upgrades to the City's water main network that would otherwise be necessary.

Water metering enhances equity in relation to water and sewer billing across the City. It also, together with public education such as that provided by means of the Operation Save H<sub>2</sub>O Program, provides an incentive to reduce water use through the water invoicing process.

### **Proposed 2014 Operation Save H<sub>2</sub>O Program**

The 2014 Operation Save H<sub>2</sub>O Program will once again target high volume users of water. It will again include a door-to-door information-delivery campaign and will include more broadly-based water conservation education for Surrey residents through community events. It is expected that the door-to-door campaign will allow for direct contact with up to 2,000 homeowners in various communities across the City. Additional emphasis will be placed on homes with in-ground irrigation systems. The program will continue to promote the City's Voluntary Water Metering Program, particularly at various community events, such as at Surrey Canada Day 2014.

The 2014 Program will provide employment for 8 students, who will be divided into 4 teams of 2 students each. Three teams will be assigned as ambassadors to specific communities of Surrey and will undertake door-to-door visitations. The fourth team will prepare educational materials and attend community events throughout the City promoting water conservation and the City's Voluntary Water Metering program. Two students will be retained for an additional four months to increase the Program's classroom presence in the fall. These students will also continue to provide water conservation education to owners in commercial and business sectors.

The following table documents the estimated budget for the program in 2014.

*Table 1*

<b>Operation Save H<sub>2</sub>O program</b>	<b>Costs</b>
<b>Management Component</b>	
Program Management	\$58,000
Educational Materials	\$42,000
<b>Student Component</b>	
Student Salaries	\$132,600
<b>Total Program Cost</b>	<b>\$232,600</b>
Contingency	\$24,000
<b>Total Expenditure Authorization Limit</b>	<b>\$256,600</b>

Operation Save H<sub>2</sub>O was established in 2008 and has been evolving with new components added each year. For example, in 2008, the primary focus of the Program was direct contact with high water consumers. In 2009 community education was added that included attending community events. In 2010, a “water hero” theme was adopted, which involved an opportunity for children to have pictures taken alongside a water hero cut-out. In 2011, the program pamphlets were revised to include text in Punjabi. In 2012, the educational program for schools was expanded and in 2013, the educational component of the program was further extended by four months to ensure that more classroom visits could be accommodated. This extension was in response to the high demand for such visits in 2012. As a result of the success of the program extension in 2013, the program will again be extended by four months in 2014 to meet the demand for classroom presentations.

The consultant managing the Program spends significant effort in monitoring the activities of the students in their visits to residences and community events including regular feedback and discussions regarding challenges that the students face. There is no other similar program in the lower mainland.

The consultant will provide a final report on the delivery and results of the Program at the end of the year.

The Program management costs include research for and preparation and printing of materials for distribution by the students. The management fees also include Program set up costs.

### **Consultant Assignment for Operation Save H<sub>2</sub>O**

Engineering Department staff will oversee the Operation Save H<sub>2</sub>O Program with the day-to-day management of the Program proposed to be contracted to a consultant.

The Engineering Department issued a Request for Proposals (RFP) in 2013 with a view to hiring a consultant to provide management services for the 2014 Operation Save H<sub>2</sub>O program. Two consultants expressed an interest in the assignment and submitted proposals as documented in the following table.

*Table 2*

<b>Proponent</b>	<b>Program Management Bid (excl. Taxes)</b>	<b>Student Component Bid (excl. Taxes)</b>	<b>Total (excl. Taxes)</b>
Dillon Consulting Ltd.	\$95,196.75	\$126,240.00	\$221,436.75
Engaging Minds Consulting Ltd.	\$107,224.00	\$102,095.00 <sup>1</sup>	\$209,319.00

<sup>1</sup> An additional \$8,500 has been added to the student component bid for this proponent to reflect various administrative overheads not included in the bid.

Dillon Consulting Ltd. quoted a price to manage the Program that is somewhat lower than their cost for the 2013 Program. Dillon has managed the Operation Save H<sub>2</sub>O program in all previous years of the Program's existence and performed the work very effectively. Over the years Dillon's program management costs have not changed significantly.

When Dillon started managing the Operation Save H<sub>2</sub>O program the City needed to provide the equivalent of 40% of a full time employee's time to support the Program. The amount of support that the City has provided has decreased each year of the Program, and now only 10% of a full time employee's time is required. It is expected that if a new consultant is retained to manage the Program, the City will need to provide approximately 40% of a full time employee's time manage the Program, which in effect would increase the actual program cost.

Although the adjusted proposal cost provided by Engaging Minds is a little lower than Dillon's proposal, it is recommended that Dillon Consulting Ltd. be awarded the contract for 2014 based on their experience with the Program over the last 5 years and on the basis that their continued management of the Program will minimize the amount of Engineering staff time that will need to be dedicated to the Program.

**Funding:**

Funding for the program is available within the approved 2014 Water Utility Budget.

**SUSTAINABILITY CONSIDERATIONS**

The City's Operation Save H<sub>2</sub>O Program supports the Social and Environmental Pillars of the City's Sustainability Charter; more particularly, the following goals:

- SC5: Plan for the Social Well Being of Surrey Residents;
- SC8: Municipal Outreach, Public Education and Awareness;
- EN14: Public Education and Sharing of Information; and
- EN16: Land, Water and Air Quality Management.

The Program promotes sound stewardship of the Region's water resources by promoting water conservation and also provides summer employment and training for students.

## CONCLUSION

Based on the above discussion, it is recommended that Council:

- Award Contract No. 1214-401/01 related to the management of the 2014 Operation Save H<sub>2</sub>O Program and to researching information for and preparation of related educational materials for the Program to Dillon Consulting Ltd. in the amount of \$100,000 including applicable taxes; and
- Award Contract No. 1214-401/03 for the student salary component of the 2014 Operation Save H<sub>2</sub>O Program to Dillon Consulting Ltd. in the amount of \$132,600 including applicable taxes; and
- Set the expenditure authorization limit for the subject contracts at \$256,600 including applicable taxes and contingency.

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GMc/JA/SB/brb/ras