

THE CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS

STAFF REPORT

DATE: April 6, 2021
TO: Committee of the Whole
FROM: Rhonda Whitmarsh, Treasurer
SUBJECT: **Water and Sewer Rate Study**

RECOMMENDATION:

THAT Committee of the Whole recommends that Council sole source the completion of the Water and Sewer Rate Study update to Watson and Associates Economists Ltd. In the amount of \$28,415 (including non-refundable HST).

BACKGROUND:

The 2021 budget includes \$28,500 to complete an update to the Water and Sewer rate study. The current water and sewer rate study expires in 2024, however, there have been changes in the water and sewer area of the budget that have impacts on the rates since it was last updated in 2015. The Municipality is also interested in looking at other billing models to ensure costs of providing this service are fully recovered as discussed with Council during 2021 budget deliberations.

It is important that the Municipality move forward with this work as soon as possible so that the updated study is in place prior to completion of the 2022 budget.

DISCUSSION:

The Municipality's procurement policy recommends that a request for proposal be issued for the completion of the update to the water and sewer rate study. The request to Council is that this work be sole sourced to Watson and Associates Economists Limited (Watson) under Section IX (4) (b) (v) of the procurement policy for the following reasons:

- Watson completed the Municipality's initial Water and Sewer rate study in 2006 along with updates completed in 2009, 2013 and 2015. The study and updates have provided the long- term financial plan for water and sewer and the results and rate recommendations are included in the annual budget.

- This work is considered an update only on work that has already been completed by Watson. It is not considered to be a new study whereas issuing an RFP would initiate a new study.
- Watson prepared the Municipality's Development Charges background studies and by-laws in 2004, 2009, 2014 and 2018 along with amendments completed in 2007, 2013 and 2021. The growth related projects from the Development Charges Study are included in the rate study.
- Watson completed the Municipality's Strategic Asset Management strategy in 2019 and is working on updating the Municipality's Asset Management Plan in 2021. Asset Management results are also included in the rate study.
- Watson and their team of experts have undertaken many studies such as this one for multiple Ontario Municipalities.
- There is an established working relationship with Watson. The familiarity with Staff is helpful with the current vacancies in public works. They are also familiar with the Municipality's asset inventory and other studies such as the official plan, the transportation master plan, the LTFP, the current AMP, the water and sewer master plan, etc.
- Watson would be able to complete the update to the study in less time as it would take another firm to re-do the study as another firm would have to review existing studies/plans and become familiar with the contents as well as develop their own reporting spreadsheets/models, etc. whereas Watson would only be required to update their previous work.
- Developing, issuing and reviewing an RFP will take significant time and will delay starting the process whereas Watson could begin right away.
- The Municipality has been pleased with all of the work completed to date by Watson and the outcomes achieved.
- The proposed costs to complete the study provided by Watson has been included in the 2021 budget so there will be no additional costs incurred.

OPTIONS:

- 1) Sole Source to Watson and Associates Economists Ltd. The reasons for doing so are listed above.
- 2) Issue an RFP for this work. This is not recommended at this time as it may add time delays and additional costs to complete the work.

FINANCIAL IMPLICATIONS:

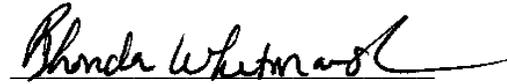
There are no financial implications resulting from this report as the funds to update the Water and Sewer rate study are included in the 2021 budget.

SUMMARY:

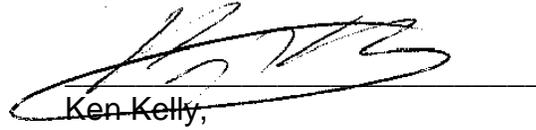
It is recommended that the update to the Water and Sewer Rate Study be sole sourced to Watson and Associates Economists Ltd. in the amount of \$28,415, including non-refundable HST.

Respectfully submitted by,

Reviewed by:



Rhonda Whitmarsh,
Treasurer



Ken Kelly,
CAO