

OCWA out, town searches for new provider

By Nate Smelle

The arduous process of selecting a provider to look after the water and wastewater services in Bancroft for the next five years is moving forward.

During the meeting held on June 27, council heard from Michael Lord, a consultant with DM Wills Associates, regarding which of the four companies vying for the opportunity to operate the town's water and wastewater system would be the best fit. The town received submissions from four proponents: Ontario Clean Water Agency (OCWA), SIMO Management Inc., Veolia Environmental Services (VES) and Peterborough Utility Services Inc. (PUSI). Lord began his presentation by explaining how each of the companies was evaluated; providing council with a rundown on how their proposals stacked up against one another.

Though it was determined that each of the firms had what it takes to operate the town's water and wastewater systems, Lord pointed out how the advantages and disadvantages of choosing one firm over another varied considerably. Recognizing that the current contract with OCWA ends at the end of this year, Lord said they would use the existing service agreement as a starting point to define the scope of services to be provided under the new contract.

Under OCWA's management of the system that is in place, Bancroft now has a \$2 million deficit which has caused them to increase its rates for water and wastewater services by 53 per cent. Seeking relief for the taxpayers being forced to bear the weight of this increase, the Town has been looking at all its options. After careful consideration and Lord's recommendation, council passed a resolution to move ahead with negotiations with the two top ranking companies ? VES and PUSI Peterborough Utility Services Inc. (PUSI). Because the town's current contract with OCWA ends at midnight on Dec. 31, the timing does pose some challenges during the transition. Pointing out that OCWA owns most of the software operating the plant, Lord said as the new company takes over it will have to make sure that it has a plan in place that keeps the system operating smoothly. He said both PUSI and VES have experience taking over for OCWA in the past. Nevertheless, Lord suggested that council include a better transition plan in the service agreement being established between the Town and the new provider.

There were a few main factors leading to the two firms being selected to enter into the next stage of negotiations with the town. Despite offering the highest-priced bid, PUSI was ranked the highest among all the firms. Lord explained that this was mainly because PUSI's 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. To do this they plan to hire four full-time employees to operate the system over seven days a week. Also, adding to the attractiveness of PUSI's proposal was that they agreed to provide the town with rebates from potential savings they might come across. Offering a lower bid on the contract than PUSI, ranked VES second. Under VES's management the system, two full-time employees would be hired to manage the operation of the Town's water and wastewater system five days a week. Furthermore, through the firm's proposal the Town would not be offered any additional savings beyond the savings established in the initial contract.

Lord told council that he could not comment regarding the fixed price. He stated that the new service agreement would be set at an annual price over a fixed five-year term. Lord also acknowledged that the potential savings to the Town under either of the two remaining firms would be in the ballpark of 20 per cent to 30 per cent. Council plans to announce which of the two candidates will be awarded the contract sometime in August.