



AGENDA

BUSINESS ADVISORY COMMITTEE

July 30, 2019, 8:30 AM

LEGAL TRADITIONS COMMITTEE ROOM

Members

Councillor W. Sutherland, Chair

Councillor P. Demong, Vice-Chair

City Manager G. Cole

Mayor N. Nenshi, Ex-Officio

1. CALL TO ORDER
2. OPENING REMARKS
3. CONFIRMATION OF AGENDA
4. CONFIRMATION OF MINUTES
 - 4.1 Minutes from the Regular Meeting of the Business Advisory Committee, 2019 July 02
5. CONSENT AGENDA
 - 5.1 DEFERRALS AND PROCEDURAL REQUESTS
None
 - 5.2 BRIEFINGS
None
6. POSTPONED REPORTS
(including related/supplemental reports)
None
7. ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES
 - 7.1 Water Utility Report to the Business Advisory Committee on Indemnified Contractors, BAC2019-0974

8. ITEMS DIRECTLY TO COMMITTEE

8.1 REFERRED REPORTS
None

8.2 NOTICE(S) OF MOTION
None

9. URGENT BUSINESS

10. CONFIDENTIAL ITEMS

10.1 ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES
None

10.2 URGENT BUSINESS

11. ADJOURNMENT

Members of Council may participate remotely, if required.



MINUTES
BUSINESS ADVISORY COMMITTEE

July 2, 2019, 11:30 AM
LEGAL TRADITIONS COMMITTEE ROOM

PRESENT: Councillor W. Sutherland, Chair
Councillor P. Demong, Vice-Chair
City Manager G. Cole

ALSO PRESENT: City Manager Designate S. Sharp
General Manager S. Dalglish
General Manager D. Duckworth
Acting City Clerk S. Muscoby
Legislative Advisor J. Palaschuk

1. **CALL TO ORDER**

Councillor Sutherland called the Meeting to order at 11:32 a.m.

2. **OPENING REMARKS**

No opening remarks were given.

3. **CONFIRMATION OF AGENDA**

Moved by Councillor Demong

That the Agenda for the 2019 July 02 Regular Meeting of the Business Advisory Committee be confirmed.

MOTION CARRIED

4. **CONFIRMATION OF MINUTES**

4.1 Minutes from the Regular Meeting of the Business Advisory Committee, 2019 April 03

Moved by Councillor Demong

That the Minutes of the Regular Meeting of the Business Advisory Committee held on 2019 April 03, be confirmed.

MOTION CARRIED

5. **CONSENT AGENDA**

5.1 DEFERRALS AND PROCEDURAL REQUESTS

None

5.2 BRIEFINGS

None

6. POSTPONED REPORTS

None

7. ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

7.1 Establishment of City Approved Indemnified Contractors Whiteboarding Session-Update, BAC2019-0815

Moved by Councillor Demong

That with respect to Report BAC2019-0815, the following be approved:

That the Business Advisory Committee:

1. Direct Administration from Water Resources and Water Services report back to BAC on analysis of the "What We Heard" Report, provide items currently actioned and any further actions to be taken, no later than July 31, 2019; and
2. Direct Administration to identify resolutions on barriers identified involving timelines, customer service and innovative/collaborative thinking.

MOTION CARRIED

8. ITEMS DIRECTLY TO COMMITTEE

8.1 REFERRED REPORTS

None

8.1.1 Motion Arising with Respect to Social Procurement Update, (PFC2019-0384), BAC2019-0870

Moved by Councillor Demong

That with respect to Postponed Report PFC2019-0384, the following be approved:

That the Business Advisory Committee:

Direct the working group to review PFC2019-0384, Social Procurement Update, developing an opinion and reporting back to the Business Advisory Committee no later than 31 October 2019.

MOTION CARRIED

8.2 NOTICE(S) OF MOTION

None

9. URGENT BUSINESS

None

10. CONFIDENTIAL ITEMS

10.1 ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

None

10.2 URGENT BUSINESS

None

11. ADJOURNMENT

Moved by Councillor Demong

That this meeting adjourn at 11:43 a.m.

MOTION CARRIED

The next Regular Meeting of the Business Advisory Committee will be held at the Call of the Chair.

CONFIRMED BY COMMITTEE ON

CHAIR

ACTING CITY CLERK

**Utilities & Environmental Protection Report to
Business Advisory Committee
2019 July 30**

**ISC: UNRESTRICTED
BAC2019-0974**

**Water Utility Report to the Business Advisory Committee on Indemnified
Contractors**

EXECUTIVE SUMMARY

The Business Advisory Committee (BAC) meeting held on July 2, 2019 provided a "What we Heard" report, which identified barriers that Indemnified Contractors (ICs) are currently facing to undertake their business activity. The Water Utility acknowledges that barriers such as scheduling, resourcing, and utility practices have generated frustration for the ICs community. The Water Utility has had continued dialogue with the ICs to understand their issues to further address their concerns but recognizes that further improvements can be made.

The Water Utility is committed to providing safe, clean, reliable, and affordable drinking water to all Calgarians while complying with provincial and federal regulations. Alongside that mandate, the Water Utility is focused on providing effective service to all customers and communities, including citizens and businesses. ICs help to reinforce this mandate as they are indemnified by The City to work on public water, wastewater, and stormwater infrastructure. Therefore, it is important for ICs to receive the support required to do their jobs in a timely and organized manner.

The purpose of this report is to identify solutions that are fair, flexible, and functional to the ICs customer experience and journey through The City's process. The Water Utility is proposing four focus areas to address the key barriers identified in the "What We Heard" report. The four areas are listed below and are further explained in Attachment 1:

- Focus Area 1: Scheduling IC Appointment Process
- Focus Area 2: City Resources
- Focus Area 3: Roles and Responsibilities
- Focus Area 4: City Operational Practices

Some of the Focus Area actions are being reviewed through active working sessions between the ICs and the Water Utility. Other short and long-term actions will require further collaboration between the ICs, the Water Utility, and other business units within The City of Calgary. The Water Utility has assigned a project lead to see that these actions are completed within the scheduled timeframe (Attachment 2) and that overall improvements to the IC customer journey are being made (Attachment 3).

ADMINISTRATION RECOMMENDATION:

That the Business Advisory Committee (BAC) approves Administration from the Water Utility to:

1. Report back in Q4 2019 on the resolved actions as a result of ongoing dialogue between the Water Utility and the ICs; and
2. Engage as part of a corporate-wide process to identify opportunities for improvement to the ICs customer experience across The City of Calgary.

**Utilities & Environmental Protection Report to
Business Advisory Committee
2019 July 30**

**ISC: UNRESTRICTED
BAC2019-0974**

**Water Utility Report to the Business Advisory Committee on Indemnified
Contractors**

PREVIOUS COUNCIL DIRECTION / POLICY

On July 2, 2019, the BAC approved the following recommendations:

- 1) Direct Administration from Water Resources and Water Services report back the BAC on analysis of the “What We Heard” Report, and provide items currently actioned and any further actions to be taken no later than July 31, 2019; and
- 2) Direct Administration to identify resolutions on barriers identified involving timelines, customer service and innovative/collaborative thinking.

BACKGROUND

To work on public drinking water, wastewater, and stormwater infrastructure, Contractors need to be indemnified by The City. This agreement with ICs:

- Ensures that construction on City property complies with City standards, and most importantly, ensures public health and safety.
- Requires the person or company who enters into the agreement to maintain the work for up to two years.
- Protects The City from potential legal actions that could arise in response to work performed on City property.

The number of ICs and the amount of work they undertake has increased steadily over the years. This changing demand along with overall increase in new assets (increase in kilometers of mains) has challenged resources within the Utility to respond to all system needs in a timely manner.

To meet the increasing demand on ICs, an appointment schedule was introduced in 2012. Attachment 2 outlines the timeline of decisions made on how many appointments were permitted to the IC, as well as the timeline of consultation that has occurred over the past seven years to keep up with the IC demands for appointments.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Since 2012, The Water Utility has implemented an appointment schedule with ICs to manage the increasing requests that come with growing demands for infrastructure. While this process worked for a number of years, concerns were raised by the ICs in 2018 that jobs could not be completed due to the process. This feedback from ICs was also shared with the BAC in July 2019. The Water Utility recognizes that the process requires updates and is working with the ICs to implement an improved process.

The Water Utility completed the analysis of the “What We Heard” Report and understands that the existing barriers are primarily on the ICs customer journey within The City, and the Water Utility more specifically.

Stakeholder Engagement, Research and Communication

The Water Utility has conducted several productive working sessions with the ICs that have resulted in solution-focused ideas to deliver an improved customer experience. These working sessions with the ICs are expected to continue in order to improve the customer journey and process.

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Strategic Alignment

Applicable One Calgary Citizen Priorities for 2019-2022 are “A Well-Run City”, “Healthy and Green City” and the One Calgary goal to “Enhance service to our customers and communities, including citizens and businesses”.

In One Calgary, the Water Treatment and Supply line commits The City to deliver high-quality, safe drinking water and a protected water supply for the future.

Social, Environmental, Economic (External)

Social and Environmental

The Water Utility is committed to providing safe, clean, reliable, and affordable drinking water to all Calgarians while complying with provincial and federal regulations. Alongside that mandate, the Water Utility is focused on providing effective service to all customers and communities, including citizens and businesses.

Economic

The Water Utility acknowledges the barriers that ICs are currently facing to undertake their business activity. The Water Utility is committed to collaborating with ICs to deliver fair, flexible and functional customer service experience that will allow them to succeed as a business in Calgary.

Financial Capacity

Current and Future Operating Budget:

The Water Utility is working to find solutions that will improve the ICs customer experience. In review of the level of service being provided to the IC community, it is probable that an increase to operating expenditure will occur to improve customer service demand.

Current and Future Capital Budget:

There are no anticipated impacts to capital budgets within the Water Utility for delivering an improved ICs customer experience.

Risk Assessment

To deliver the services that Calgarians are expecting, the Water Utility must balance the input from the “What We Heard” report with risks to the operation of the water utility system.

These overall risks include:

- Regulatory risk – noncompliance with Approval to Operate from AEP
- Safety risk – ensure safe drinking water for the public
- Environmental risk – ensuring activities, such as discharging chlorinated water, do not pose a risk to the environment
- Financial risk – further analysis is required to fully determine the extent of financial risk

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Water Utility Report to the Business Advisory Committee on Indemnified Contractors

The Water Utility is working to improve the IC's customer service experience within the Water Utility's operating parameters. Further collaborative work is required between all parties to achieve a mutually beneficial outcome.

REASON(S) FOR RECOMMENDATION(S):

The Water Utility expects that ongoing working group sessions with the ICs and participation in a corporate wide process to improve the ICs customer journey will continue to advance a stronger level of service, improve customer expectation, and resolve service delivery issues. The recommendations will help The Water Utility to achieve improvements and will identify opportunities for Corporate-wide solutions.

ATTACHMENT(S)

1. Attachment 1 - Actions underway in the Water Utility to address Indemnified Contractors concerns
2. Attachment 2 - Water Utility engagement process with Indemnified Contractors
3. Attachment 3 - Indemnification Contractor Journey Map in the Water Utility

Actions underway in the Water Utility to address Indemnified Contractors concerns

The following focus areas have been identified to increase customer satisfaction and deliver fair, flexible and functional customer service experience for Indemnified Contractors (ICs).

Timeframe for completion:

- Immediately – action is underway
- Short term – up to 12 months (by the end of Q2 2020)
- Long term – 1 to 2 years

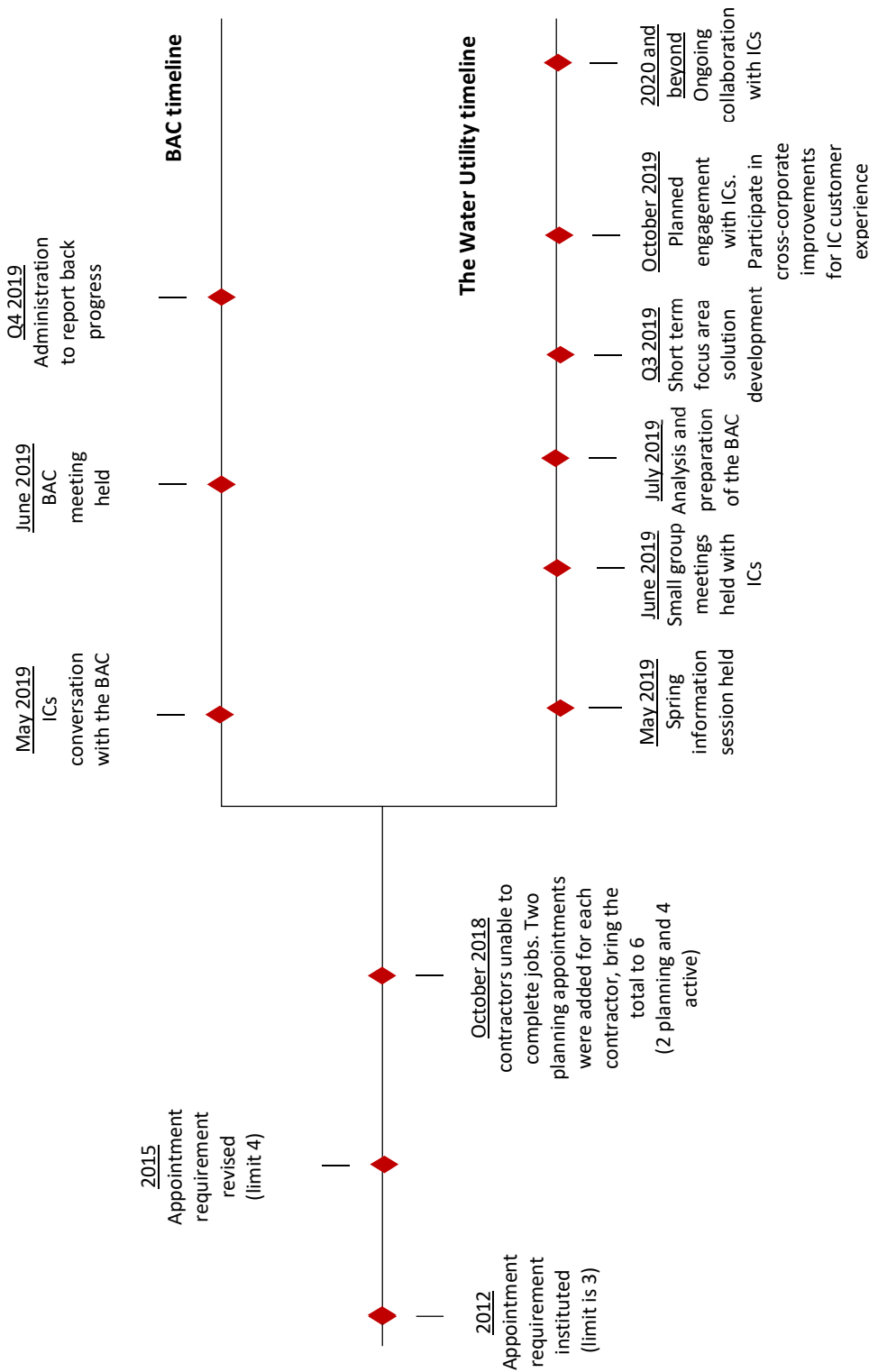
Focus Area 1: Scheduling IC Appointment Process	Timeframe for completion
1.1 Increase available appointments during contractor work day	Complete
1.2 Create appointment service level agreement	Short term
1.3 Allow some work to be scheduled without an appointment	Short term
1.4 Review current appointment window	Short term
1.5 Implement an online appointment booking system that increase visibility and autonomy	Long term

Focus Area 2: City Resources	Timeframe for completion
2.1 Increase appointment flexibility	Immediately
2.2 Provide Contractors access to an electronic map of the water utility system	Short term
2.3 Use additional methods/crews for controlling mains	Short term
2.4 Involve Inspectors in limited valve operations	Short term
2.5 Investigate a fee structure	Long term
2.6 Have Inspectors certified as operators	Long term

Focus Area 3: Review Roles and Responsibilities	Timeframe for completion
3.1 Provide information on operation of private side valves	Immediately
3.2 Provide clarity on boundary valve operation	Immediately
3.3 Request Contractors to conduct job related repairs to valves	Short term
3.4 Increase work that Contractors are able to do on the system	Long term

Focus Area 4: Review City Operational Practices	Timeframe for completion
4.1 Increase engagement (including a survey to ICs and meetings)	Immediately
4.2 Clarify processes related to issues that occur after hours, including details what number to call	Immediately
4.3 Streamline Return to Service procedure	Short term
4.4 Review when controlled mains are required	Short term
4.5 Improved internal processes	Short term
4.6 Reduce time to control mains	Long term
4.7 Reduce Return to Service times	Long term
4.8 Continue to privatize low risk, not complex maintenance where system operation is not required	Long term

Water Utility engagement process with Indemnified Contractors



Indemnification Contractor Journey Map in the Water Utility

