

Utilities & Environmental Protection Report to
Business Advisory Committee
2019 December 06

ISC: UNRESTRICTED
BAC2019-1484

Water Utility report back to the Business Advisory Committee on Indemnified Contractors

EXECUTIVE SUMMARY

The purpose of this report is to provide an update on the Business Advisory Committee (BAC) process and actions undertaken by the Water Utility since July 2019 to resolve issues raised in ongoing dialogue between the Water Utility and Indemnified Contractors (ICs). An approach for a corporate-wide process for continued improvement of the IC experience is also proposed. The corporate-wide process will be coordinated by the Civic Innovation team and The Business and Local Economy Program and will include Water Services, Water Resources, Roads and other Business Units, as identified.

The Water Utility has undertaken several initiatives to address the key concerns raised by the IC community which can be summarized by the following key updates:

- Scheduling IC Appointment Process: 92% of requests were accommodated on or before the requested date
- City Resources: More Water Utility crews are available and increased scheduling flexibility is offered to address IC requests
- Roles and Responsibilities: Roles and Responsibilities between the Water Utility and ICs have been clarified
- City Operational Practices: The Return to Service procedure has been streamlined and new ways to address requests have been implemented

Going forward, the proposed corporate-wide process for continued improvement of the IC experience will focus on a design-thinking. This approach involves delegates from the IC community working collaboratively with representatives from Water Services, Water Resources, Roads and other Business Units to examine and improve processes at The City of Calgary (The City).

The Water Utility is committed to providing safe, clean, reliable, and affordable drinking water to all Calgarians while complying with provincial and federal regulations. 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, efficient and organized manner.

ADMINISTRATION RECOMMENDATION:

That the Business Advisory Committee (BAC) recommends that Council:

1. Approve the proposed corporate-wide process for continued improvement of the Indemnified Contractor experience, and
2. Direct the Business and Local Economy Program to report back to the BAC with an update on the corporate-wide improvement process by the end of Q2 2020.

PREVIOUS COUNCIL DIRECTION / POLICY

On July 30, 2019, the BAC approved the following recommendations (BAC2019-0974):

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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.

BACKGROUND

Contractors need to be indemnified by The City to work on public drinking water, wastewater, and stormwater infrastructure. 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 private work performed on City property.

The number of ICs has remained relatively steady over the last several years, while the amount of work they undertake has increased and has been subject to the ups and downs of the economy. This changing demand along with an overall increase in assets (kilometers of mains), and operating and maintenance requirements for an aging system, have challenged The City's Water Utility to respond to all system needs in a timely manner.

In July, the Water Utility committed to meet, investigate and implement a list of actions raised by ICs due to increasing demand. Attachment 1 outlines the progress made since July and other updates.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

The Water Utility is continuously working with ICs to improve their experience with The City. Engagement with ICs occurred in June and July of 2019 to identify potential improvements and additional sessions were held in October 2019 to provide updates.

The Water Utility proposed four focus areas to address key barriers identified by ICs. Update highlights are summarized below and can be found in more detail in Attachment 2.

Focus area	Highlights	Results
Scheduling Process for IC Appointments	The process has been reviewed and improved. Escalation procedures have been clarified.	For July and August 2019: <ul style="list-style-type: none">• ~80% of requests accommodated on request date• ~12% accommodated earlier than requested
City Resources	Appointment flexibility has been improved with ability to accommodate some evening and weekend appointments.	Improved ability to address increased demand for appointments.

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Roles and Responsibilities	Clarification of roles and responsibilities between the Water Utility and ICs were presented at engagement sessions and will also be shared within the Monthly Industry Bulletin in 2019.	Clearer understanding of operation of private-side valves and boundary valve operation. An internal process for contractors to conduct job-related repairs to valves is also underway.
Review City Operational Practices	Return to Service for controlled mains no longer requires lab testing. Improved clarity on after-hour calls and internal communications.	Able to address significant backlog of mains that needed to be returned to service. Implementing new processes to limit backlog in future.

Most ICs agreed the progress made by the Water Utility improved their experience in 2019 construction season.

Going forward, the proposed corporate innovation method for improving ICs experience will take a design-thinking lens to explore and surface new possibilities. This approach looks at the following key areas:

- Solve the Right Problem - allows for deep exploration; surfacing new possibilities and latent needs.
- Integrate Diverse Perspectives - feedback from all groups of our solutions.
- Test Assumptions - prototype and test ideas quickly which allows for a process to fail efficiently and to modify solutions to get to the best, lasting results.

Further information about the proposed corporate- wide process for continued improvement of the Indemnified Contractors experience can be found in Attachment 3.

Stakeholder Engagement, Research and Communication

The Drinking Water Distribution division of the Water Utility conducted several productive working sessions with the ICs in June, July and October of 2019. These working sessions are expected to continue to advance the work towards improving the customer journey and process. Attachment 2 provides an overview of attendees for the October engagement sessions.

Through the engagement sessions ICs requested and have begun similar engagement opportunities with other City Business Units, including Roads. Any further improvements will require collaborative efforts from all parties involved (including other Business Units and ICs). The corporate-wide process for continued improvement of the IC experience is intended to address the needs identified by the ICs at these engagement sessions.

Strategic Alignment

This work aligns with the One Calgary Citizen Priorities of “A Well-Run City”, and “A Healthy and Green City”. This work also aligns with Council’s directive of improving the value of municipal services delivered by simplifying and streamlining processes and procedures, cutting red tape, and eliminating service silos and Administration’s corresponding commitment to enhance service to our customers and communities, including citizens and businesses.

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Financial Capacity

The Water Utility is working to find solutions that will improve the ICs experience within the approved One Calgary budget and will return to Council for approval if changes cannot be accommodated within current budgets.

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 drinking water system.

These overall risks include:

- Regulatory risk – non-compliance with Approval to Operate from Alberta Environment and Parks.
- 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.

The Water Utility recognizes the importance of the work ICs undertake and is working to improve the IC experience without compromising other services delivered and the oversight provided by the Water Utility. Within these constraints, several mutually beneficial outcomes have been achieved.

REASON(S) FOR RECOMMENDATION(S):

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

ATTACHMENT(S)

1. Attachment 1 – Update on the actions underway in the Water Utility to address Indemnified Contractors’ concerns
2. Attachment 2 – October Engagement Sessions Summary
3. Attachment 3 - Proposed corporate-wide process for continued improvement of the Indemnified Contractor experience