

## Research Partnerships with Toronto Water

<b>Date:</b>	September 17, 2007
<b>To:</b>	Public Works and Infrastructure Committee
<b>From:</b>	Lou Di Gironimo, General Manager, Toronto Water Cam Weldon, Treasurer
<b>Wards:</b>	All
<b>Reference Number:</b>	P:\2007\Cluster B\TW\pw07035 (AFS #5036)

### **SUMMARY**

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Toronto Water regularly enters into arrangements with institutions of higher learning (eg. universities) as well as professional, not for profit, organizations such as the American Water Works Association (AWWA), or other government agencies (eg. Environment Canada) to undertake specialized research and testing, which may benefit Toronto Water's operations. Currently, the undertaking of specialized research necessitates a staff report to Committee to authorize each initiative and there is no specific criteria or process established to evaluate and approve the various research initiatives.

This report establishes criteria to be used by the General Manager, Toronto Water, when considering support for future research related projects and initiatives and the approval process to be followed.

### **RECOMMENDATIONS**

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**The General Manager of Toronto Water and the Treasurer recommend that:**

1. The General Manager be authorized to enter into and execute agreements in respect to City funding and participating in research initiatives or projects related to environmental impact assessment and the treatment and management of water, wastewater and stormwater, with post-secondary educational institutions, governmental agencies and/or non-profit professional organizations, including any procurement of services related thereto subject to meeting the following criteria:

- a) The research initiative or project directly contributes to achieving the Goals and Objectives stated in Toronto Water's Business Plan;
  - b) The project participants are post-secondary educational institutions, other municipalities or governmental agencies and/or non-profit professional organizations who can provide objective, qualified and professional expertise;
  - c) The project is of a scientific or technical nature utilizing specialized academic or professional expertise at competitive rates;
  - d) Toronto Water's contribution to each research initiative or project does not exceed a value of \$500,000 (before taxes) per year; and
  - e) An agreement be entered into among all participants in the research initiative or project on terms and conditions satisfactory to the City Solicitor.
2. Schedule 'A' of the Financial Control By-law, Chapter 71 of the Municipal Code, be amended to include payments to post-secondary educational institutions, other municipalities or governmental agencies and/or non-profit professional organizations in relation to research initiatives or projects which directly contribute to achieving the Goals and Objectives stated in Toronto Water's Business Plan.
  3. The appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

## **FINANCIAL IMPACT**

Funds for the provision of technical expertise or the undertaking of specialized research through post-secondary educational institutions, governmental agencies and/or not for profit professional organizations, as recommended, will be provided for in Toronto Water's Operating or Capital Budgets of the relevant fiscal years in the Toronto Water Cost Centre Group TW.A2 or the appropriate WBS Elements CWW/CPW.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

## **DECISION HISTORY**

The Public Works and Infrastructure Committee, at its meeting held on May 2, 2007, requested the General Manager, Toronto Water to report to the Public Works and Infrastructure Committee for its meeting on September 6, 2007, on a policy that will set out conditions for staff to proceed with the research and development of technologies and/or initiatives that may be of benefit to Toronto Water's operations and that will govern the relationship between the City and externally funded agencies and/or private enterprises on a sole-source basis.

See Decision Advice for Item PW5.5 in:

[http://www.toronto.ca/legd=ocs/mmis/2007/pw/decisions/2007-05\\_02-pw05-dd.pdf](http://www.toronto.ca/legd=ocs/mmis/2007/pw/decisions/2007-05_02-pw05-dd.pdf)

## **ISSUE BACKGROUND**

Toronto Water regularly enters into arrangements with institutions of higher learning (universities and community colleges) as well as professional not for profit organizations

such as the American Water Works Association, or other government agencies (eg. Environment Canada) to undertake specialized research and testing.

Technology development requires the involvement of specially qualified personnel with related experience and understanding of processes being evaluated. Over time, the City and other government agencies such as Environment Canada have jointly funded various research projects in co-ordination with recognized research groups that provide specialized expertise in water, wastewater and stormwater treatment technology development; and environmental and public health impact assessment for projects of common interest.

The Financial Control By-law requires that a competitive procurement process be used to obtain goods and services. Exceptions to the competitive process must follow the sole source purchasing procedures. There is also a Schedule 'A' to the by-law which contains a list of items or types of purchases that can be processed without a Purchase Order or Sole Source Request Form. Where Toronto's participation in a joint project involves the contribution of funds, there can be a perceived conflict with the City's purchasing policies and procedures for sole source purchases.

Currently, the undertaking of specialized research necessitates a staff report to Committee to authorize each initiative. The purpose of this Report is to establish a policy for the delegation to the General Manager of Toronto Water of the approval authorization of funding to and participation in specialized research initiatives, by governmental agencies, educational institutions and non-profit entities, which may benefit Toronto Water and the City and to establish criteria for the approval of such research projects and initiatives.

## **COMMENTS**

In order to maintain service excellence in the City's drinking water, wastewater and stormwater management systems, it is appropriate for Toronto water to support and participate in ongoing research initiatives designed to develop and investigate new or improved technologies, processes and maintenance methods which could improve operational efficiencies, minimize impacts on the environment or extend the service life of the City's infrastructure. Toronto Water, has regularly participated in and benefited from such projects of mutual benefit, and entered into agreements or contracts with universities, not for profit associations or other government agencies. These research opportunities typically can not be obtained through a competitive procurement process and, accordingly, the authority to fund and participate in these projects has been sought on a case by case basis through Committee and Council.

Schedule 'A' to the City's Financial Control By-law provides for payments to federal, provincial and other municipal governments and their agencies, boards and commissions without the need for a Purchase Order or Sole Source Request Form, but not to Universities or not for profit professional organizations. Therefore, it is recommended that Schedule "A" be amended so that Toronto Water can participate in the funding of projects that directly contribute to the Goals and Objectives stated in Toronto Water's Business Plan and which meet the following criteria:

- a) The project participants are institutions of post-secondary educational institutions, other municipalities or governmental agencies and/or not for profit professional associations who can provide objective, qualified and professional expertise;
- b) The project is of a scientific or technical nature utilizing specialized academic or professional expertise at competitive rates;
- c) Toronto Water's contribution to the project not exceed a value of \$500,000 (before taxes) per year; and that
- d) An agreement be entered into among all participants in the research initiative or project on terms and conditions satisfactory to the City Solicitor.

In the case of undertakings and initiatives led by private enterprises, which inherently stand to benefit financially from any research and development financially supported by the City, the normal competitive procurement process will be followed. The recently adopted policy for unsolicited quotations and proposals may also apply.

It is noted that the Sole Source procedures under the Financial Control by-law allow the General Manager, Toronto Water to procure specialized expertise from an academic institution or professional not for profit organization without competitive bids on the basis that the project is of a scientific or technical nature, utilizing specialized academic or professional expertise.

## **CONTACT**

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## **SIGNATURE**

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Lou Di Gironimo  
General Manager, Toronto Water

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Cam Weldon  
Treasurer