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Halifax Regional Council
June 28, 2005
Committee of the Whole

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:

A handwritten signature in black ink, appearing to read "Brad Anguish", written over a horizontal line.

Brad Anguish, Director of Environmental Management Services

DATE: June 21, 2005

SUBJECT: HRM/Halifax Regional Water Commission Relationship Review

INFORMATION REPORT

ORIGIN

HRM/HRWC Relationship June 25, 2005 Report to HRM Council
April 14, 2005 HRWC Board Motion
June 23, 2005 Report to HRWC Board

BACKGROUND

On April 14, 2005 during review of the proposed 5 year business plan of the Halifax Regional Water Commission (HRWC), the Board passed a motion to table the approval of the complete 5 year business plan, pending a comprehensive review of opportunities for further cooperation and integration between HRM and HRWC, with the objectives of identifying cost saving, operational, and technological opportunities to enhance services to water commission customers and HRM tax payers. A joint working group of HRM/HRWC staff was convened, and has been meeting regularly for the past sixty days. The results of the review were presented in a report to the HRWC Board on June 23, 2005.

DISCUSSION

The joint working group reviewed identified actions in three categories:

- 0 - 6 months
- 6 - 12 months
- 12 - 24 months

A summary of the recommendations is presented in a table on pages 8 - 13 of the attached June 23rd report to the HRWC Board.

BUDGET IMPLICATIONS

There are no immediate budget implications, although several of the recommendations should logically conclude with financial savings to the Halifax Regional Water Commission. Some of the recommendations may also have financial implications to HRM which would be accommodated within future fiscal years. Some of the key recommendations include a business case development including a cost benefit analysis. Recommendations would only proceed if they have a positive, or cost neutral net impact on both HRM and HRWC.

FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation.

ALTERNATIVES

N/A

ATTACHMENTS

1. June 23rd Report to HRWC Board

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by :


Cathie O'Toole, Manager Energy & Utilities, EMS 490-7061

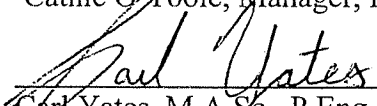
Financial Review :


Kellea Redden, Financial Consultant, EMS, 490-6267



TO: Donald L. Mason, P.Eng., Chair, and members of the Halifax Regional Water Commission Board

SUBMITTED BY: 
Cathie O'Toole, Manager, Environmental Management Services, HRM

APPROVED BY: 
Carl Yates, M.A.Sc., P.Eng. General Manager HRWC


George McLellan, Chief Administrative Officer, HRM

DATE: June 23, 2005

SUBJECT: HRM/HRWC Relationship – Final Report

ORIGIN

HRM/HRWC Relationship Report to HRM Regional Council, Jan. 25, 2005
Ongoing review of HRM/HRWC relationship; Board motion of April 14, 2005

RECOMMENDATIONS

It is recommended that the HRWC Board approve the actions proposed in Attachment A, to strengthen the ties between the HRWC and HRM, and increase the cooperation between the two organizations in areas that create operational, technical, or financial benefits for one or both organizations, to the ultimate benefit of HRM residents.

BACKGROUND

Over the last several weeks, a working group of senior HRM and HRWC staff have met to explore synergies between the two organizations. The group has met on a regular basis to ensure that we are able to present a final report to the Commission Board at its June 23, 2005, meeting. The review had strong HRM management support with input from HRM directors of Real Property and Asset Management, Finance, Shared Services, Environmental Management Services, and Human Resources. This report pending inclusion of feedback from the HRWC Board, will be presented to HRM Regional Council on June 28, 2005.

Attachment A contains the detailed evaluation and recommendations developed during the review. The actions include three time categories - within 6 months; 6 months to 12 months; and action recommended within 1 – 2 years. It should also be noted that Environmental Management Services is conducting two tasks complementary to this review.

- 5 year waste water rate increase forecast to present to the HRWC Board in conjunction with proposed water rate increases
- A comparison of HRM's Aerotech water treatment plant operating costs with projected HRWC operating costs in association with the proposed transfer to HRWC. This topic has been previously discussed at the Board Level. HRM's review has been completed, and no concerns were identified in this area.

DISCUSSION

The following presents the findings of the HRM/HRWC working group.

Information Services/Technology

SAP - HRWC has entered into an agreement with the Province of Nova Scotia to provide SAP application support and hosting for FI/CO/MM (financials) and Utility Billing through the municipal template. HRWC has expressed an interest in implementing payroll functionality through SAP commencing in Jan 2006, although the province has indicated they would be unable to support this implementation schedule. Given the direction to HRM to find synergies with the Water Commission, there is a sound argument for an integrated SAP environment, where feasible. The approach would need to be gradual to prevent interruption of the existing HRWC timeline for utility billing.

Within 0 – 6 months, HRM/HRWC should complete a business case analysis and if appropriate develop a plan for migrating to an HRM hosted SAP instance for HRWC and negotiate changes to the PNS SLA (service level agreement) to separate hosting charges from support charges. Next, would be the implementation of network connectivity changes to support HRWC connection to HRM hosted environment.

Within 6-12 months, subject to an appropriate business case outcome as mentioned above, HRM/HRWC should migrate existing PNS hosted SAP to HRM data center and in conjunction with HRWC HR requirements, determine the most logical position of HRWC SAP implementation – maintain separate instance, company code within HRM implementation or separate client for HRWC. Develop HRM expertise to provide functional support to utility billing. Develop SLA for SAP support. Determine further integration points for synergy – Fleet, Procurement, etc.

Within 12 – 24 months, HRM/HRWC should be able to develop an ongoing joint SAP strategy, and HRWC should have access to HRM's modules for FI (Financial Information) CO (Controlling), MM (Materials Management), and PM (Plant Management); as well as HR (Human Resources) module.

GIS - HRM and HRWC have historically cooperated in the development and operation of the corporate GIS, and have agreed in principle to move toward a fully integrated GIS on a common server platform. This migration will take advantage of the infrastructure investment HRM has made to provide maximum system availability and performance. This migration will depend upon a service level agreement being completed between the two parties defining support and management practices.

Web Services - Currently the HRWC web site is hosted on HRM's web server under HRM's hosting agreement with Aliant. HRM and HRWC have cooperatively developed an "alert" system to allow incidents affecting citizens to be posted to the site in a timely manner. HRM is working with HRWC to convert the existing web site to the new "look and feel" of the overall HRM site.

For the next 0 – 6 months, HRM will continue the existing relationship and support HRWC as part of HRM web services client base. In the next 6 – 12 months, HRM web services to provide technical consulting advice in scoping requirements for web enabling HRWC billing module.

In the next 12 – 24 months, HRWC will utilize HRM's web portal technology to assist HRWC to web enable applications and services and provide a common authentication for e-services.

Blackberry / GroupWise Integration - HRWC is looking to participate in HRM's wireless project (using blackberries) contingent on HRWC utilizing the same version of Groupwise as HRM. HRWC has expressed an interest in taking advantage of HRM's infrastructure, enabling the integration of Blackberry with the GroupWise email system. The technology changes required on the HRWC side have been defined.

Within 0-6 Months, upgrade HRWC GroupWise to required version. Integrate email management functions.

Radio Communications - HRWC utilizes their own radio communications system which fully meets their needs. One gap identified is the ability for HRWC to communicate on the TMR system from the EMO room at the new Cowie Hill building.

Within 0 – 6 months, HRWC is to purchase a mobile TMR unit from HRM for installation at Cowie Hill. In the next 6-12 months HRM will include HRWC radio requirements in development of the HRM telecommunications plan.

Computer Purchases - HRM and HRWC currently have similar computing needs at the desktop. HRM and HRWC have agreed to jointly purchase computers in the future through HRM's tendering process. HRWC will participate in system specification.

Service Delivery

Call Centre/Dispatch/Tier 1 Service – There are possible advantages to HRWC and HRM in adopting the same telephone system as will be implemented at HRM Call Centre in the fall of this year. The joint working group recommends that for the next 0-6 Months HRWC should continue using their Aliant Centrex telephone until the new HRM phone system is implemented.

Within 6 – 12 months, HRM and HRWC should investigate the feasibility of HRWC utilizing the new server based phone system platform being installed for the 490-4000 (retain same HRWC phone number but utilize the new technology)

The HRM Customer Service Centres (CSC) currently receive 6% of HRWC customer payments. There is a minor delay between payment at the customer service centre and posting to the HRWC receivables due to the lack of a real-time information system available at the HRM

customer intake points. The 4% from the *Store Front* are received at HRWC within 24 hours, while the 2% from the *Drop Box* type of payment are further delayed.

A key enabler of further service enhancements between HRWC and the citizen intake points at HRM (CSC & Call Centre) is enabling more detailed and “real time” access to HRWC customer accounts so agents/citizens can get detailed information at whatever channel they enter for service, and payments are made directly on to the account in “real time” rather than batch downloads. Within 12 – 24 months, HRWC should scope the requirements and complete a business case analysis for web enabling the account information and payment engine for customer billing. In addition, the expansion of current payment options should be considered to include credit card payment for water and pollution control under certain circumstances. These actions should be priority because of both customer interest and future flexibility in location and channel delivery.

Outsourcing of Bill Printing – HRWC’s RFP for external bill printing provider has closed. HRM Corporate Communications had not intended to submit a proposal; but upon a request of HRM/HRWC did submit a bid after the tender process had closed. HRM’s proposal has been evaluated against the external bids. Of the five proposals submitted, HRM’s proposal was not in the top two from either a financial or technical perspective. On an annual basis, the top two proposals cost substantially less than HRM’s bid, because HRM would require one additional staff person and a print engine to be able meet the operational requirements of the RFP. HRM would like HRWC to negotiate an addendum to the contract to price the production of HRM’s tax bills to enable HRM to evaluate out-sourcing with the HRWC against the pros and cons of internal production of the tax bills. HRWC are mission critical on this issue with a “go live” date for the SAP CCS module in October this year.

Human Resources - HRWC is going to partner with HRM on a Hay Compensation Survey this fall. SAP HR and provision of payroll services are being explored. A 12-24 month action is to review human resource strategies for both organizations. HRM and HRWC currently take advantage of economies of scale through administration and purchasing of benefits (medical, dental, etc.)

Private Hydrant Maintenance - In January/05 staff of HRWC and HRM Fire and Emergency Service met to discuss the deficiencies with respect to maintenance of private fire hydrants. It was recognized that HRWC does not have the authority to enforce maintenance but HRM FES does through the Fire Safety Act. Staff are currently working on a joint approach whereby HRWC will play a lead administrative role with HRM FES serving as the enforcement agency. Current initiatives include an inventory of private hydrants and a pilot project to work out a business process. Areas for consideration of pilot work include the Bayer’s Lake Industrial Park, School Board properties and Hospitals. The time frame for these initiatives are 6 to 12 months for inventory depending on funding from HRM FES and 1 to 2 years for the pilot projects.

Security - HRWC has a dedicated person coordinating security issues. HRM has a working group just beginning to look at security of non-inventoried physical assets, and security of HRM buildings. HRM has spoken with HRWC’s Security Coordinator, and has invited the HRWC Security Coordinator to participate and provide advice to HRM on an ongoing basis.

Procurement

In addition to existing synergies (eg. Insurance, banking, business supplies, fuel, pension plan management) HRWC and HRM staff met to investigate potential cost savings of utilizing other HRM contracts and price agreements. Areas discussed included chemicals such as alum, contract services for snow clearing and landscaping, and office supplies. Computers and fleet purchases have already been identified as opportunities.

Capital

Meter Reading - HRWC staff has met with representatives of NSPI and Heritage Gas on May 11/05 to explore future synergies with meter reading. Although synergies are more likely achieved between HRWC and NSPI in the short to medium term, Heritage Gas are interested in future green field areas. All utilities were interested in a common migration strategy realizing that in the long term [>25 but < 50 years], meters will be read automatically.

Depending on the costs, a possible joint meter reading (AMR) project will be explored by all three parties in existing serviced areas and future development areas. It appears that the two most viable AMR media for data transfer include radio [mobile or broad spectrum] or electrical wires. NSPI is arranging for a company called TWACS from St. Louis, Missouri to come to Halifax to provide an overview of AMR integration utilizing electrical wires as the medium for data transfer. A workshop is tentatively scheduled for June 29/05. If the system proves economically viable and a joint agreement can be reached, implementation could start within 6 to 12 months. Some possible areas for a pilot include Burnside and new developments.

Fleet – HRM could do HRWC's vehicle purchasing and possible leasing on a go forward basis, as part of HRM's overall fleet procurement.

1) Vehicle leasing- Currently HRM has leasing agreements for cars and light trucks. The HRWC can use the existing agreements to lease vehicles on an as required basis.

2) Purchasing vehicles - Each year HRM issues tenders for the purchase of a variety of vehicles from light trucks to heavy equipment. There is an ability to align the capital purchases of the HRWC and HRM to not only ease the burden for the creation and processing of tenders but also increases the number of units purchased and our ultimate buying power. The usual benefit of increased buying power is a reduced price per unit.

3) Vehicle maintenance - HRM and HRWC both have vehicle servicing requirements. The HRM facility at Turner Drive could accept the servicing and maintenance of the increase in fleet numbers with the inclusion of the 90 HRWC units. Currently HRM is staffed to handle the work for 650 units; to include the HRWC units would require hiring more staff to carry the increased work load. HRM and HRWC will review maintenance costs within 12 – 24 months and compare with current business process.

SAP Fleet Vehicle Maintenance reporting systems - Currently HRM fleet operates on SAP, but there have been issues on the inputting and reporting ability of the Fleet Maintenance system.

HRM is currently in the midst of a project to not only review the Plant Maintenance (PM) process but also to determine the enhancements that will make the system run more effectively. The system has the ability to track cost, usage, age and condition of the vehicles in the fleet.

The enhanced system and the reconfiguration from PM to Fleet Maintenance will be completed in the near future. It will not only allow HRM's Fleet Management Group to service and maintain the vehicles better but create management reporting not currently available.

The new configuration will allow reporting on the following:

- 1) cost per km
- 2) cost by vehicle type, year, design
- 3) fuel usage
- 4) track warranty information
- 5) track failure by repair type
- 6) to track the use of parts from vendors to identify life cycle costs of items like batteries, tires, and a variety of parts to enhance the reliability of the vehicles in the fleet.

The future system will also track vehicle condition reports and give base data for vehicle replacement planning and offer costings with the ability to evaluate vehicle bids on cost to operate not just cost per unit. The benefits for HRM and HRWC is not only the tracking of costs but to also gather data to move from vehicle usage to Vehicle Management.

Strategic

Joint Strategy for Water and Pollution Control Rate Increases - HRWC is participating in HRM Financial Service Revenue Strategy project. EMS have committed to developing a 5 year projection for pollution control increases, which can then be considered together with the projected water rate increases. HRWC and HRM will develop an operating procedure on when and how rate increases will be brought forward. Joint prioritization and preparation of funding applications to other levels of government should continue to occur.

Joint Planning of Capital Projects – An HRM/HRWC Coordinating Committee exists, which has been meeting since July 2003. This group is focusing on six areas.

1. Capital Budget
 - a. Infrastructure Condition Rating – Pavement index in place; water main index in place; sewer index methodology in place (Hansen based WRC) data to add from video inspection.
 - b. Integrated Project Selection – Integrated approval used in 05/06 with water and sewer reacting to pavement projects. Expand in 06/07 to 3 year approach.
 - c. Capital Budget Planning – Detailed review process by HRM and HRWC in process.
 2. Design Issues
 - a. Joint Drawings – Initial Standard Operating Procedure developed
 - b. Installation Standards – Status quo confirmed; more work to do later
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3. Tendering Issues
 - a. Unbalanced Bids – Acknowledged potential problem; agreed to log actual issues over two seasons and see if need for formal procedure or if project specific solutions will cover.
 - b. Cost sharing for Trench Restoration – Cost sharing method developed; currently in final review by HRM Environmental Engineering Services, and HRWC.

4. Permitting Issues
 - a. Future Settlement Charges – Detailed list of issues developed; discussion and solutions to follow.
 - b. Street Permits – Priority issues identified and resolved; additional process improvement to follow.
 - c. Utility Permits – All priority issues discussed and resolved.
 - d. Annual Permits – Agreed on status quo; future improvement opportunities discussed.
 - e. Internal Review of Permits – HRM internal reviews are continuing; several issues resolved and several in discussion.

5. Construction Issues
 - a. Inspection – Agreed not effective to combine inspection for joint projects as both agencies have expertise and jobs generally go in stages (i.e. sewer before water) thus both groups not on site at same time.
 - b. Construction Management – General practice developed and in place.

6. Relocation of HRWC Infrastructure – HRWC has agreed to generally replace water mains that are in conflict with proposed HRM works unless very new installs that cleared Utility Permit process. HRM agreed to try to provide a budget year lead time for major works to ensure funding and design coordination.

The Halifax Utility Coordinating Committee (HUCC) is another venue where joint planning and project coordination occurs. It was recently noted that HRM's Environmental Engineering Services was not included in the HUCC committee and this issue has been addressed.

HRM has been approached by HUCC to explore development of an integrated "Call Before You Dig Service".

BUDGET IMPLICATIONS

With realized synergies between HRM and HRWC, it is anticipated there will be cost savings for many of the initiatives outlined in Attachment A.

ALTERNATIVES

Some or all of the opportunities for cooperation identified by staff could be rejected, and the services could be carried on status quo.

ATTACHMENTS

Attachment A – Table Summarizing Recommendations

Recommendations				
Opportunity Area	Impact	0 – 6 months	6 – 12 months	12 – 24 months
Information Services / Technology				
SAP	<p>Enriched customer service & operational functionality for HRWC</p> <p>Potential cost savings for HRWC</p>	<ul style="list-style-type: none"> • Develop business case • Plan for migrating to HRM hosted SAP instance for HRWC. • Negotiate changes to the PNS SLA to separate hosting charges from support charges. • Implement network connectivity changes to support HRWC connection to HRM hosted environment. 	<ul style="list-style-type: none"> • Subject to neutral or positive business case outcome migrate existing PNS hosted SAP to HRM data center. • Determine the most logical position of HRWC SAP implementation. • Develop HRM expertise to provide functional support to utility billing. • Develop SLA for SAP support. • Determine further integration points and timing for Fleet and Procurement 	<ul style="list-style-type: none"> • Develop ongoing joint SAP strategy. • By end of 24 months HRWC will be hosted in the HRM data center, in the same SAP instance as HRM, subject to business case outcome. • HRWC will be able to utilize FI (Financial Information),CO (Controlling),MM (Materials Mgmt) PM (Plant Maintenance) and Payroll modules SAP, subject to business case outcome.
GIS	<p>Technology advancement for HRWC.</p> <p>Improved operational information for both organizations.</p>	<ul style="list-style-type: none"> • Test GIS performance with clients located at new HRWC location to HRM GIS server over wide area network link. 	<ul style="list-style-type: none"> • Develop upgrade and integration plan and service level agreement. 	<ul style="list-style-type: none"> • Complete GIS integration.
Blackberry / Groupwise Integration	<p>Increased technological capability for HRWC</p>	<ul style="list-style-type: none"> • Upgrade HRWC GroupWise to required version. • Integrate email management functions • HRM to host HRWC groupwise. 		
		<ul style="list-style-type: none"> • HRWC can utilize HRM contracts for Blackberries. 		

<p>Web Services</p>	<p>Cost saving to HRWC by not having to out-source or internally resource this area of expertise.</p> <p>New service capacity for HRWC clients</p>	<ul style="list-style-type: none"> • Continue existing relationship and support HRWC as part of HRM web services client base. 	<ul style="list-style-type: none"> • HRM web services to provide technical consulting advice in scoping requirements for web enabling HRWC billing module. 	<ul style="list-style-type: none"> • HRWC to utilize HRM's web portal technology to web enable applications and services and provide a common authentication for e-services.
<p>Radio/ Communications</p>	<p>Increased communication capability with HRM during emergencies.</p> <p>Potential future operational benefits or cost savings through inclusion in HRM's telecommunications plan.</p>	<ul style="list-style-type: none"> • Mobile TMR Radio to be installed at new HRWC facility, to enable direct communications with HRM EMO. 	<ul style="list-style-type: none"> • HRM will include HRWC radio and AVL requirements in the delivery of the HRM telecomm plan 	

Service Delivery

<p>Call Centre</p>	<p>Increased service capability to HRWC</p> <p>Enriched customer service</p> <p>Potential cost savings to HRWC on new phone system</p>	<ul style="list-style-type: none"> • HRWC will continue using Aliant Centrex telephone until new HRM phone system is implemented. 	<ul style="list-style-type: none"> • Investigate the feasibility of HRWC utilizing the new server based phone system platform being installed for the 490-4000 (retain same HRWC phone number but utilize the new technology) 	<ul style="list-style-type: none"> • HRWC to determine the requirements and business case for web enabling account info and payment engine for customer billing. • HRM will be in a position to provide call centre services, subject to cost/benefit analysis and HRWC Board approval.
<p>Out-Sourcing of Bill Printing</p>	<p>Increased service capability to HRWC</p> <p>Cost saving to HRWC</p>	<ul style="list-style-type: none"> • HRWC to price an addendum for HRM tax bills, so HRM can compare to internal printing costs for tax bills. 		
<p>Human Resources</p>	<p>Cost saving and efficiency by not doing two separate surveys.</p> <p>Potential savings</p>	<ul style="list-style-type: none"> • HRWC to partner with HRM on national compensation survey for non-union staff, 		<ul style="list-style-type: none"> • HRM and HRWC to review human resource strategies.

	around training and development	<p>Fall of 2006.</p> <ul style="list-style-type: none"> • HRWC can participate in HRM training programs. 		
Credit Card Payments	Potential improved timeliness of cashflows to HRWC and HRM on water bill payments.	<ul style="list-style-type: none"> • HRWC/HRM to conduct a pilot to test credit card payments in some special circumstances, pending Board approval. 	<ul style="list-style-type: none"> • HRM Finance to negotiate credit card transaction rates with Royal Bank. • HRM Finance to present a Credit Card Policy to HRM Council incorporating results from the public survey already conducted and the desires of Council. 	
Security	Information benefit to HRM from access to HRWC's Security Coordinator.	<ul style="list-style-type: none"> • HRM Park Patrol to provide security patrol at new HRWC building, permanent service agreement to be negotiated. • HRWC Security Coordinator meeting with HRM Security working group. 		
Private Hydrant Maintenance	<p>Operational improvement for HRM Fire Services.</p> <p>Public Safety improvement.</p> <p>New revenue stream for HRWC.</p>		<ul style="list-style-type: none"> • Inventory of private hydrants in conjunction with Fire Services. 	<ul style="list-style-type: none"> • Pilot project with HRWC taking on administrative role for maintenance of private hydrants in Bayer's Lake Industrial Park, School Board properties and Hospitals
Capital				
Automated Meter Reading	Potential cost savings, and operational efficiency	<ul style="list-style-type: none"> • Continued meetings with NSPI, Heritage Gas, and technology suppliers. 	<ul style="list-style-type: none"> • Pilot project pending financial analysis, necessary approvals and agreements - Herring Cove 	<ul style="list-style-type: none"> • Pilot project pending financial analysis, necessary approvals and agreements – power, water, and nat gas billing,

Capital

<p>Automated Meter Reading</p>	<p>Potential cost savings, and operational efficiency</p>	<ul style="list-style-type: none"> Continued meetings with NSPI, Heritage Gas, and technology suppliers. 	<ul style="list-style-type: none"> Pilot project pending financial analysis, necessary approvals and agreements - Herring Cove for power and water billing within 6 to 12 months 	<ul style="list-style-type: none"> Pilot project pending financial analysis, necessary approvals and agreements – power, water, and nat gas billing, Burnside within 1 to 2 years
<p>Capital Project Integration</p>	<p>Minimize disruption to public. Cost savings to both organizations. Prioritized investments</p>	<ul style="list-style-type: none"> Joint working group to continue meeting. Joint funding applications to other levels of government. 	<ul style="list-style-type: none"> 2006/07 business plan/budgets for HRWC to be developed with HRM. HRWC will be integrated in HRM long term capital planning group. 	
<p>Fleet</p>	<p>Cost saving for HRWC Operational efficiency for HRWC.</p>	<ul style="list-style-type: none"> HRWC Fleet purchases to be made as part of larger HRM tender. HRWC able to lease vehicles through HRM’s leasing arrangements. 	<ul style="list-style-type: none"> HRM to gather and analyze internal data to enable evaluation of decision to provide integrated fleet maintenance 	<ul style="list-style-type: none"> HRM & HRWC to evaluate best practices and provision of fleet maintenance to come up with joint strategy.
<p>Fixed Phone System</p>	<p>Potential cost savings to both organizations Potential operational benefit to both organizations</p>		<ul style="list-style-type: none"> HRM reviewing fixed phone system needs, and will then review HRWC needs. 	<ul style="list-style-type: none"> New phone system to be purchased jointly in 2006/07 pending budget approval.
<p>Procurement</p>				
<p>Procurement</p>	<p>Cost savings to HRWC through some HRM price agreements and</p>	<ul style="list-style-type: none"> HRWC to meet with HRM to review HRWC purchasing 		<ul style="list-style-type: none"> If HRWC is on HRM’s SAP, HRWC will

			2006/07.	
Treatment Chemicals	Cost saving to both organizations.			<ul style="list-style-type: none"> Joint purchase of alum for HRM Sewage Treatment Plants and HRWC plants.
Computers	Cost saving to HRWC.	<ul style="list-style-type: none"> HRWC to purchase computers as part of HRM computer tender. HRWC can purchase blackberry technology via HRM's contracts. 		
Strategic				
HRM Scorecard	Improved information to public Integrated strategy and policy planning	<ul style="list-style-type: none"> HRWC performance measures to be included in HRM Corporate Scorecard annual report, and HRM State of the Environment Report. 		
Joint Long Term Projections for Rate Increases	Improved information for planning and decision making for HRWC Board and HRM Council.	<ul style="list-style-type: none"> HRWC will be a participant in HRM's Revenue strategy. 	<ul style="list-style-type: none"> Development of joint operating procedures for all water bill increases, so water and waste water rates are strategically coordinated. 	
Report Sign-Off	Increase communication flow	<ul style="list-style-type: none"> HRM to sign off on reports to HRWC Board which impact HRM, with HRM EMS coordinating this function. 		
Call Before You Dig	Public safety Reduced damage to underground infrastructure	<ul style="list-style-type: none"> HRM Shared Services working with HRWC through HUCC to evaluate HRM providing an integrated "Call Before You Dig" service for utilities. 		

Management of Street Cuts	Operational efficiency		<ul style="list-style-type: none">• HRM/HRWC to identify best practices for management of street cuts.	<ul style="list-style-type: none">• Best practices for management of street cuts to be implemented.
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