

October 15, 2013

To: His Worship the Mayor,  
and Members of City Council

Re: Wastewater Treatment Plant Upgrade - Authority Reassignment

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RECOMMENDATION

1. That all authority provided to the Deputy City Manager of City Operations in City Council report CR13-26 be reassigned to the City Manager or his or her delegate;
2. That City Council authorizes the City Manager or his or her delegate to prepare, negotiate, review, amend and approve any additional documents, instruments, assurances and auxiliary closing documents as may be necessary to give full effect to the Project Agreement; and
3. That City Council authorize the City Clerk to execute any such Additional Assurances.

CONCLUSION

The Administration is continuing with the procurement for the Wastewater Treatment Plant (WWTP) upgrade as directed by City Council (CR13-26).

With organizational changes at the Division level, the Executive Lead responsibility for the Project was reassigned from the Deputy City Manager of City Operations to the Deputy City Manager of Corporate Services. To ensure that decision authority is in place to align with these organizational changes the Administration recommends that City Council reassign the authorities provided to the Deputy City Manager of City Operations in CR13-26 to the City Manager or his or her delegate, allowing the City Manager to assign the required project oversight.

The design, build, finance, operate and maintenance contract between the City and the proponent the City selects following the request for proposal process is known as the "Project Agreement". In order to give effect to the terms and conditions in the Project Agreement it will be necessary for the City to enter into additional documents, instruments, assurances and auxiliary closing documents. The Administration recommends that City Council authorize the City Manager or his or her delegate to prepare, negotiate, review and approve such documents as may be necessary to give full effect to the Project Agreement with the City Clerk authorized to execute any such Additional Assurances as part of our normal practices.

BACKGROUND

On February 25, 2013, City Council unanimously approved proceeding with the Design/Build/Finance/Operate/Maintain (DBFOM) procurement approach for the upgrade of the WWTP (CR13-26). This approval provided the Deputy City Manager of City Operations the authority to carry out the steps in the DBFOM procurement model.

In July 2013 the City Manager reassigned the Executive Lead responsibilities for the WWTP Upgrade Project (the “Project”) from the Deputy City Manager of City Operations to the Deputy City Manager of Corporate Services. This change was facilitated by the departure of former Deputy City Manager, Dorian Wandzura, and the organizational alignment of Executive Lead responsibilities for the WWTP Upgrade Project to the Deputy City Manager of Corporate Services.

On September 25, 2013 a Referendum was held where the residents of Regina affirmed City Council’s decision to proceed with a DBFOM delivery model for the WWTP Project.

## DISCUSSION

The Administration requires City Council’s previous approval authority for the WWTP project to be aligned with the more recent reassignment of organizational responsibility. Since the Executive leadership of this project has been transferred by the City Manager, it is important to ensure future approvals follow Council’s delegated authority. Assuming the recommendation is accepted, the City Manager will confirm his delegated authority is assigned to the Deputy City Manager, Corporate Services, in alignment with the overall responsibility for the project. This change will allow the project to continue forward toward delivery on the overall project objectives.

The City will need to enter into additional documents, instruments and assurances and auxiliary closing documents to give full effect to the Project Agreement. These documents include items such as agreements with lenders, warranty certificates, undertakings, closing certificates and legal opinions all of which are typical for large commercial transactions. The auxiliary closing documents provide the City with the contractual ability to seek remedies directly from the successful proponent’s financial institutions, suppliers and others in the event the successful proponent fails to meet its contractual obligations under the Project Agreement.

## RECOMMENDATION IMPLICATIONS

### Financial Implications

None with respect to this report.

### Environmental Implications

None with respect to this report.

### Strategic Implications

None with respect to this report.

### Other Implications

None with respect to this report.

### Accessibility Implications

None with respect to this report.

COMMUNICATIONS

None with respect to this report.

DELEGATED AUTHORITY

The recommendations in this report require Council approval.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'B Sjoberg', with a stylized flourish at the end.

Brent Sjoberg, Deputy City Manager & CFO  
Corporate Services

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Glen Davies', with a stylized flourish at the end.

Glen Davies  
City Manager

Report prepared by:  
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