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**Item No. 07**  
**Halifax Regional Council**  
**March 22, 2016**

**TO:** Mayor Savage and Members of Halifax Regional Council

**SUBMITTED BY:** Original Signed by   
\_\_\_\_\_  
John Traves Q.C., Acting Chief Administrative Officer

**DATE:** March 2, 2016

**SUBJECT:** Service Level Agreement with Halifax Water

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### **INFORMATION REPORT**

#### **ORIGIN**

This report originates with staff relative to the completion of a Service Level Agreement (SLA) between HRM and Halifax Water (HW) following the approval of the 2007 Transfer Agreement.

#### **LEGISLATIVE AUTHORITY**

Section 74(1) of the *HRM Charter*: the Municipality may agree with . . . service commissions . . . to provide for or administer municipal services..

Section 75(1) of the *HRM Charter*: the Municipality may agree with any person for the provision of a service that the Municipality is authorized to provide.

Section 24 of the *HRWC Act*: the Municipality has the authority and capacity to enter into an agreement with HRWC for the purposes set out in the *HRWC Act*, for example, in respect of collection efforts by the Municipality on behalf of HRWC.

Section 17(1)(a) of Administrative Order 58 – the Delegation of Certain Authorities: the CAO may approve and enter into agreements for the provision of a municipal service with a . . . public entity or service commission, providing there is cost recovery to the Municipality.

#### **BACKGROUND**

HRM entered into an agreement with Halifax Water for a transfer of assets relative to the delivery of stormwater and wastewater services in 2007. It was recognized that overall benefits to Halifax Water ratepayers and HRM taxpayers could be achieved through an additional coordinated service exchange between HRM and Halifax Water. Both organizations agreed to work collaboratively to clarify and document operational service alignments to avoid the possibility of cross subsidization or duplication.

## **DISCUSSION**

HRM and HW have been working together to clarify, agree upon and document a comprehensive list of service exchanges to ensure mutual cost recovery and to enhance the efficiency of related services to ratepayers and taxpayers.

These efforts have recently been documented in a formal Service Level Agreement relative to legal service, insurance, finance, investment, cash management, ICT, fuel and storage, wastewater contracted operations and transportation and public works services.

That agreement was executed by HRM's CAO on January 18, 2016 and a copy is attached to this report for Council's reference. While the completion of this document is an administrative milestone, it should be noted that review and enhancement of the terms of this agreement will continue in response to service delivery program changes.

## **FINANCIAL IMPLICATIONS**

The agreement is designed to be cost neutral to both organizations by providing for cost recovery by means of (i) payment for services, or (ii) exchange of services of equal value. In the result, there are no material financial implications to HRM or HRWC.

## **COMMUNITY ENGAGEMENT**

There was no community engagement included or required to support the development and execution of this agreement.

## **ATTACHMENTS**

Attachment A - SLA between Halifax Water and HRM.

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A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.php> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

Report Prepared by: Steven Higgins – Executive Assistant to the CAO 902-490-2292

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SERVICE LEVEL AGREEMENT

**HALIFAX**

Between:

Halifax Regional Municipality

And

Halifax Regional Water Commission

### ***Document Information***

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**Title** Service Level Agreement  
**Document Type** Agreement  
**File Name** HRWC – HRM Service Level Agreement Draft 2013.docx  
**File Location** K:\Finance\General\HRM Service Level Agreement  
**Owner** Director of Finance/CFO, HRM  
Director of Finance & Customer Service/CFO, HRWC  
**Approvers** Chief Administrative Officer, HRM  
General Manager, HRWC

### ***History***

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<b>Version</b>	<b>Description</b>	<b>Author</b>	<b>Date</b>
1	Discussion Draft	Director of Finance, HRWC	February 11, 2013
2	Discussion Draft	Greg Keefe CFO, HRM	December 31, 2013
3	Discussion Draft	HRWC	January 13, 2014
4	Discussion Draft	HRM	May 22, 2014
5	Discussion Draft	HRM	September 19, 2014
6	Discussion Draft	HRM	June 19, 2015
7	Discussion Draft	HRWC comments	July 20, 2015
8	Discussion Draft	HRM draft	August 21, 2015
9	Final Draft	HRWC/HRM	January 7, 2016



**THIS SERVICE LEVEL AGREEMENT** is made as of *January 20, 2016* the date on which the last signatory executed this SLA (the "Effective Date")

**BETWEEN**

**Halifax Regional Water Commission, as represented by the General Manager (the "HRWC")**

- and -

**Halifax Regional Municipality, as represented by the Chief Administrative Officer (the "HRM")**

Approved as to Form  
and Authority

DRG  
Solicitor

**IN CONSIDERATION** of the foregoing and the mutual covenants and agreements contained in this Agreement, and subject to the terms and conditions hereof, the Parties covenant and agree as follows:

### **1.0 Purpose of this Document**

This service level agreement ("SLA") details the terms and conditions under which Services will flow back and forth between the HRM and HRWC (the "Parties").

The purpose of the SLA is to:

- (i) inventory the Services provided by one Party (the "Providing Party" to the other Party (the "Receiving Party") and to outline the roles and responsibilities of each around the delivery of the Services;
- (ii) detail the process by which the Services are provided, fees and overhead charges are applied, the billing and payment procedure and the process to change the SLA as required; and
- (iii) outline the communication protocol for HRM and HRWC and to develop procedures which will facilitate this relationship and to identify on a continual basis any areas of enhancement and/or improvement.

Unless expressly indicated herein, this SLA is not meant to address or resolve outstanding issues arising out of the 2007 Transfer Agreement or to implement recommended actions of any joint committees set up under the 2007 Transfer Agreement, which recommendations are located in the so-called "Merger Matrix" document.

### **1.1 Mission**

To contribute to the success of both organizations while serving the interests of HRM tax payers and HRWC rate payers.

### **1.2 Principles**

Cross subsidization of services will be avoided wherever possible, in keeping with the principles of the Transfer Agreement.

Full cost recovery principles as defined by the National Guide to Sustainable Municipal Infrastructure - "Water and Sewer Rates: Full Cost Recovery" will be applied wherever appropriate and feasible.

Payment of the HRWC dividend to HRM under a separate agreement covering the period of April 1, 2015 to March 31, 2020 in lieu of commercial tax rates, taxes against HRWC's property and assets is intended to provide for, among other things, the usual services provided by a municipality to its corporate citizens such as policing, fire protective services, streets and roads services, transit, solid waste services, community development and general government.

Direct services, including those Services detailed in the schedules attached hereto, provided to HRWC by HRM or by HRWC to HRM will be tracked and billed for separately as appropriate and in keeping with the principles outlined above.

- Note: HST will not apply in intra-municipal transactions unless required by law: see Excise Act-Schedule V, Part VI, Section 28.

### **1.3 Agreement Objectives**

- Foster effective communication between HRM and HRWC
- Describe the roles and responsibilities of HRM and HRWC to ensure effective service delivery and optimum resource utilization
- Assist in managing service level expectations
- Document the escalation path to address service issues / problems
- Define the service level targets
- Provide for a reporting, billing and payment process to be developed by the Governance Committee

### **1.4 Term of the Agreement**

Unless otherwise specifically provided for herein, Services under this SLA or any part thereof may be terminated by either party upon the provision of 90 days written notice to the other party. In the event of termination, the Receiving Party shall pay to the Providing Party for Services rendered in accordance with this SLA to the effective date of termination and for those reasonable termination expenses incurred by the Providing Party, including but not limited to the costs associated with the transfer of software licenses, dedicated equipment, and dedicated third party contracts.

### **1.5 Scope of Services**

Except as may otherwise be agreed to by the Parties in accordance with the change mechanism detailed below, starting on the Effective Date the Providing Party will provide to the Receiving Party the services described in the schedules attached hereto (collectively, the "Services"), in accordance with the terms and conditions of this SLA.

This SLA details the services that HRM/HRWC provides to each other, and establishes a framework upon which service performance can be measured. Its purpose is to ensure that the ranges of services offered are consistent, cost effective, timely, appropriate and predictable. HRWC and HRM will work closely together to implement and administer this agreement so that all aspects meet the principles outlined in the previous section.

The SLA fosters a positive working relationship and creates the foundation upon which HRM and HRWC can work interdependently to deliver services and programs to HRM residents and HRWC customers.

This document will serve as a guideline that will be revised as required. The agreement is intended to evolve as additional services and / or changes to services are introduced.

Approval and signoff of this document indicates:

- Agreement by both parties that the content is valid
- The objectives are achievable

At a minimum, the agreement will be reviewed annually. Scope, roles / responsibilities and service levels will be assessed and adjusted accordingly.

The Director of Finance of HRM and the Director of Finance for HRWC responsibilities include:

- Document maintenance
- Review of suggested / required updates
- Alignment with HRM and HRWC business plan and strategic priorities
- Ensure all changes are negotiated and approved by all parties
- Maintain an archive of current and past versions

## **1.6 Service Levels**

The Providing Party will endeavor to deliver the Services in satisfaction of the services levels detailed in the applicable schedule. Any failure to meet a service level that is not resolved in accordance with the processes and timeframes set out in the SLA and attached schedules will be escalated in accordance with the Governance Process referenced below.

The Providing Party will be relieved from the measurement of service levels to the extent that delivery of the Services is affected by (1) the Providing Party waiting on the Receiving Party or other third party to undertake an action relative to the delivery of the Services; (2) the Providing Party has made prioritization decisions relative to the Services in light of available resources; (3) either party has undergone a material business change that has yet to be addressed in the change mechanism described below; or (4) circumstances that constitute a force majeure event or are otherwise beyond the Providing Party's reasonable control.

The Parties agree that neither will make any claim, or be a party to any action or lawsuit, against the other related to the provision of Services under this SLA. If service levels are not met the sole remedy of the Receiving Party will be to escalate its complaint through the Governance Process. In no circumstances will the Receiving Party have or advance a claim for financial compensation or other damages as a result of the Providing Party not meeting a service level.

## **1.7 Governance Process - Relationship Management**

The Parties will each assign a representative for the purpose of administering Services under this SLA (the "Director"). Each Director will be available upon reasonable notice during

business hours to meet in order to review and discuss any issues and concerns with respect to this SLA and will have the authority and be responsible for:

- (i) Administering Services under this SLA to achieve service levels by addressing, and if possible resolving, any operational or other issues with respect to the Services or this SLA;
- (ii) Escalating, as appropriate, any unresolved issues with respect to the Services or this SLA;
- (iii) Documenting, updating and distributing service level performance, updates or revisions in accordance with the Parties agreed upon changes;
- (iv) Organizing and facilitating strategic planning sessions for the administration of the Services, timing/planning future work projects to align resources/objectives of both parties to reduce cost and scheduling work to avoid misaligned efforts;
- (v) Recommending areas for service improvement;
- (vi) Making recommendations for changes to Services to be made through the change mechanism; and
- (vii) Reporting, as required, to appropriate levels of management.

The Parties will create a Governance Committee made up of the following persons:

<u>HRM</u>	<u>HRWC</u>
Deputy Chief Administrative Officer	General Manager
Chief Financial Officer	Director of Finance & Customer Service

The Governance Committee will have the authority and be responsible for:

- (i) Implementation of this SLA, including the creation of the procedures to request and approve the provision of Services;
- (ii) Developing a reporting, billing and payment process;
- (iii) Quarterly meetings with Directors to discuss service level performance, outstanding operational issues and other concerns;
- (iv) Considering change requests, if any;
- (v) Participating in strategic planning sessions relative to the Services; and
- (vi) Resolving, if possible, any escalated issues with respect to the Services or this SLA identified by the Directors.

### 1.8 Governance Process - Incident Resolution Targets

<i>Request for Action</i>	<i>Response to Request</i>	<i>Target Time to Respond</i>	<i>Target Time to Resolve</i>
Director of Requesting Unit	Director of Responding Unit	5 business days	10 business days
Director of Finance/CFO	Director of Finance/CFO	7 business days	14 business days
General Manager/DCAO	General Manager/DCAO	14 business days	28 business days

Requests for actions that are not resolved to the satisfaction of the parties within the timeframe at each level of governance will be escalated to the next level of governance.

## **1.9 Fees**

In consideration for the Providing Party's provision of Services, the Receiving Party will pay the charges associated with the time, materials and expenses incurred as a result of the provision of the Services.

In order to smooth the processing of transactions between the Parties the following procedures will be followed:

- (i) The Receiving Party is responsible to pay the Providing Party reasonable transition costs; that is, costs incurred by the Providing Party as a direct result of the implementation of the Service for the benefit of the Receiving Party.
- (ii) No right of offsets will be transacted by either party unless mutually agreed upon.
- (iii) Approvals for work done by either party on behalf of the other will be given in advance of the work being done. An agreed approach for the billing will be determined and agreed to at that time and an estimate provided.

## **1.10 Change Mechanism**

Should HRM or HRWC desire a change to the Services that will add a new Service, end a Service, increase or decrease a Service and/or alter the Fees, a written change request will be prepared by the Party requesting the change and be sent to the other Party for consideration. The change request will include all relevant information reasonably required for the proper consideration of the proposed change.

Changes that impact Fees will be subject to the approval and agreement of both Parties. If a change may result in either an increase or decrease to the Fees, then the Parties will, acting reasonably and subject to the other provisions of this SLA, determine any increase or decrease to be made to the Fees as a result of such impact, including in appropriate circumstances agreeing that Services adjustments will be provided during an interim period on a time and materials basis to provide a baseline that can be used in order to price the change.

Should HRM or HRWC desire additional Services to be included in this SLA, a written request will be prepared by the Party requesting the addition and be sent to the other Party for consideration. The request will include all relevant information reasonably required for the proper consideration of the proposed addition.

The approval authority to agree to a particular change or additional Service request will be communicated by each Party to the other as part of the negotiations to change or add a Schedule.

Requests for change and/or additional Service will be communicated through the Governance Process and considered by the Governance Committee. If the Parties agree to add an additional Service to this SLA, the SLA will be amended by attaching a new schedule to the SLA in respect of the subject matter of the new Service.

All changes, modifications, amendments or supplements to the Services provided will be undertaken in accordance with the change mechanism and any other express provisions of this SLA that contemplate changes to the Services.



**2.0 Miscellaneous**

This SLA shall become effective on the date upon which both Parties execute the same and insert the Effective Date.

This SLA may not be assigned by either Party hereto without the prior written consent of the other Party. This Agreement will be binding upon and enure to the benefit of the Parties and their respective successors and permitted assigns.


**3.0 Signatures**

Each party is signing this Agreement on the date stated under the signature of the representative of that party:

**For the Halifax Regional Water Commission**

  
Original Signed

Carl Yates  
Name


Signature  
  
Date  
January 20, 2016

General Manager  
Title

**For HRM**

  
Original Signed

John Teves  
Name

Signature  
  
Date  
January 18<sup>th</sup>, 2016

Acting Chief Administrative Officer  
Title

**Index of Schedules**

Schedule	Date of Last Revision or Update
A Legal Service	
B Fuel and Stores	
C Waste Water Contracted Operations	
D Insurance Services	
E TPW Services	
F Finance, Investment and Cash Management	
G Information, Communication, and Technology	

## **SCHEDULE “A” - LEGAL SERVICES**

**BETWEEN:** Halifax Regional Municipality (“HRM”) and Halifax Regional Water Commission (“HRWC”)

**PERIOD COVERING:** January 1, 2016 to December 1, 2016  
(To be reviewed on an annual basis)

**OBJECTIVE:** To detail the services to be provided under this schedule on a cost recovery basis.

### **SUMMARY:**

#### **1. Mission**

HRM Legal Services provides efficient and effective legal counsel and representation to HRM and may, if specifically retained, provide legal services to HRM's affiliated boards and commissions.

#### **2. Structure**

HRM Legal Services is comprised of three divisions – Litigation Services, Solicitor Services and Prosecution Services. Each division is led by a Team Lead reporting to the Director of HRM Legal Services. Together, the Team Leads and Director are responsible for overall client service and the effective deployment of resources.

HRM Legal Services' position within HRM affords it a unique advantage: its lawyers are readily accessible to HRM's business units; it understands the environment in which HRM's business units operate; and it has cultivated the expertise needed for the business of municipal government, the delivery of municipal services and the proper administration of public affairs. HRM Legal Services' lawyers have focused areas of practice, and bring the power of teamwork and expertise to any problem.

#### **3. Cost**

The Services are provided to HRWC on a cost recovery basis and are billed quarterly. Estimated costs are calculated based on our past experience of staff time spent on similar matters.

#### **4. Services**

HRM Legal Services will provide legal counsel and representation to HRWC only to the extent agreed-to by both parties in a retainer respecting (i) a specific matter arising out of HRWC's operations in furtherance of a municipal purpose, or (ii) the conduct of a proceeding by or against HRWC before courts and tribunals relative to such operations (the “Services”). Absent specific authorization from the Director of Legal Services, the Services will be limited to Litigation Services and will not normally include work on regulatory issues before the NSUARB, contract review or labour/management issues.

HRWC will provide to HRM Legal Services all governing documents, policies, procedures, systems, documents and information required for HRM to provide the Services.

#### **5. Conflict of Interest and Preservation of Confidentiality**

HRWC will not seek to retain HRM Legal Services to provide Services where HRWC has knowledge of a potential or actual conflict of interest between HRWC and HRM relative to the subject matter of the retainer.

There will be times when HRM Legal Services will not be in a position to provide the Services to HRWC, including where

- (a) a lawyer from HRM Legal Services is not available to do the work;
- (b) the provision of Services relative to a matter may, in the sole determination of the assigned lawyer, Team Lead or Director of HRM Legal Services, cause a conflict of interest; or
- (c) the requested Services require expertise not available within HRM Legal Services.

HRWC acknowledges that HRM Legal Services' primary mandate is to provide legal counsel and representation to HRM. HRWC recognizes that the interests of HRM and HRWC may diverge on a specific matter and in such circumstances HRM Legal Services may have to act adverse to the interests of HRWC. HRWC hereby consents to HRM Legal Services acting for HRM relative to a specific matter in a manner that is adverse to HRWC while it provides other Services to HRWC on another matter, and waives any conflict of interest that could result from HRM Legal Services acting as legal counsel and representative to HRM on such a matter while it provides other Services to HRWC.

HRWC recognizes that HRM Legal Services may acquire confidential information from and about HRWC as a result providing the Services, and hereby acknowledges and agrees

- (a) HRM Legal Services will not provide Services to HRWC in those circumstances where HRWC expects information and documents provided to HRM Legal Services by HRWC will be treated as confidential or privileged insofar as HRM is concerned; and
- (b) HRM Legal Services will treat information and documents received from HRM as confidential or privileged, and will not disclose such information and documents to HRWC without the prior authorization of HRM, even where this information would be relevant to HRM Legal Services' provision of Services to HRWC.

HRM Legal Services will not disclose HRWC's confidential information to others, subject to the disclosure required by law including governing professional conduct rules.

If HRM Legal Services does not accept a retainer for Services to HRWC on a given matter or, if so retained, cannot continue to provide Services to HRWC relative to the matter because of a potential or actual conflict of interest, HRWC acknowledges and agrees that HRM Legal Services reserves the right to decline to act for HRWC in respect of the matter and hereby consents to HRM Legal Services acting for HRM on such a matter.



## **SCHEDULE "B" - FUEL AND STORES PROVISION**

HRWC will have access to HRM Stores for supplies and materials as per the normal working hours of the Stores. Stores inventory will be billed monthly at cost plus 15% overhead.

HRM and HRWC will each have access to the fuel depots of the other. Fuel will be billed monthly at cost, based on the Receiving Party's use of the fuel of the Providing Party.

HRWC will pay HRM to inspect and maintain, repair, undertake upgrades and replacements relative to the fuel depots at Mann Street and Bissett Road, and HRM will administer the reordering of fuel.

Liability for contamination will be based on negligence and causation and the operation of applicable legislation, as enforced by regulatory authorities.

## **SCHEDULE "C" - WASTEWATER TREATMENT CONTRACT OPERATIONS AT HRM RECREATION CENTRES**

The 2007 Wastewater Transfer Agreement, Section 14 states that:

### **Incidental Services**

14. Subject to maintaining current charge out rates until April 1, 2008, HRWC will assume responsibility, on a full cost recovery basis, for the operation of the following facilities, which are acknowledged by HRM not to constitute municipal waste-water facilities or municipal storm-water facilities:
- (a) waste-water treatment plants currently being operated by HRM for municipal properties serving other municipal purposes, (such as recreational purposes) or for third parties, including Twin Oaks Hospital/Birches Nursing Home in Musquodoboit Harbour, Harrietsfield Recreation Facility, the Musquodoboit Valley Memorial Hospital, and the Upper Sackville Recreation Facility;
  - (b) various pumping stations, identified in Schedule "F", currently maintained by HRM's Technical and Underground Services Division for municipal buildings serving other municipal purposes (such as ferry terminals); and
  - (c) such other facilities as may be agreed from time to time.

HRWC staff operate the facilities identified in Schedule F of the Transfer Agreement on a full cost recovery basis. HRWC will invoice HRM quarterly for these services.

When capital upgrades are required for infrastructure owned by HRM, HRWC will identify this need to the appropriate HRM Manager. HRWC will instigate and manage the capital work subject to HRM approval in writing and agreement that HRM will reimburse the cost of the capital work.

## **SCHEDULE “D” - INSURANCE SERVICES**

**Duration and Extension:** an annual contract approach will be taken. As HRM's contract with its insurance service provider nears completion HRM will require six months' notice prior to policy renewal date of HRWC's intent to remove itself as an insured under the insurance program. At the beginning of each budget planning process, but not later than January 31st, HRM will provide HRWC with an estimated insurance premium amount for the upcoming fiscal year.

HRM will bill HRWC for the annual premium for inclusion in the insurance program within 30 days of the placement of the insurance renewal and the effective date of the policy. Any substantive change to the estimate will be explained in advance of the billing from HRM to HRWC. Any additional premium due to changes to the insurance policies will be billed or credited as soon as changes are effective.

Payment will be required within 30 days from the receipt of any invoicing. HRM and HRWC may agree to invoicing on a monthly basis.

It is understood that “Halifax Water” is the branded name for Halifax Regional Water Commission. Halifax Regional Water Commission is the formal name which appears on HRM's Insurance policy as Named Insured.

Currently, HRWC is provided insurance coverage under the following lines of insurance coverage; however, policies may be added or deleted during the term of this schedule based on the availability of an insurance product or by agreement of both parties and are subject to adjustments as may be applicable:

- Commercial General Liability
- Excess Liability – Layers 1, 2
- Professional Liability Policy
- Automobile
- Property - includes coverage for building, contents, furniture and equipment, computers, and servers
- Crime
- Boiler and Machinery

### **Premium Allocation Methodology**

Currently there is a single insurance service provider for both HRM and HRWC. In order to allocate the cost of the insurance program and to provide full cost accounting for HRWC to establish revenue requirements as approved by the NSUARB, the following approach to the assigned premium costs between the HRM and HRWC will be taken. It is noted that the approach below is based on standard underwriting rating tools and may be impacted by claims experience and/or insurance market availability year over year.

**Commercial General Liability** – Premium is calculated based on a proportional basis of HRWC employees to all employees of HRM and HRWC.

**Excess Liability Coverage** - Premium is calculated based on a proportional basis of HRWC employees to all employees of HRM and HRWC.

**Professional Liability Coverage** - Premium is calculated based on a proportional basis of the number of professionals employed by HRWC at the time of the placement of the policy to all professional employees of HRM and HRWC.

**Automobile** - Calculated based on number of vehicles in each of three categories multiplied by the premium per vehicle in a given category:

- a) Buses and large fire trucks;
- b) Emergency vehicles and police cars;
- c) All other.

**Property** - Premium is calculated based on the appraised or estimated values declared by HRWC for property, including buildings, water treatment facilities, sewage treatment plants and other HRWC infrastructure, but excluding the value of piping conduits located underground. Rating for this cover is on a cost per \$100.00 of declared value basis. Declared value should be provided on a replacement cost basis.

**Crime Insurance** - Premium is based on the proportional basis of the number of employees who have access to cash and negotiable instruments.

**Boiler and Machinery Coverage** – Premium is calculated based on the appraised or estimated values declared by HRWC for property, including buildings, water treatment facilities, sewage treatment plants and other HRWC infrastructure, but excluding the value of piping conduits located underground. Rating for this cover is on a cost per \$100.00 of declared value basis. Declared value should be provided on a replacement cost basis.

### **Risk Management and Claims Handling**

In order to ensure the accuracy of the insurance program and the consistency of claims handling practices, HRWC will be provided access to the IVOS Claim System with costs as follows: Integration and Access - Annual Maintenance; two full access concurrent user licenses at a total annual cost of \$3,103.00 per license (this amount is subject to change without notice). HRWC will reimburse HRM for the annual maintenance fee and license fees, in the amounts as are set by the insurance carrier from time to time). In addition, HRM will provide policy maintenance, Claims handling as outlined in "Claims Process" and risk management advice at an annual cost of \$10,000.00, subject to annual CPI increase.

**Deductibles** – HRWC is responsible to pay applicable policy deductibles associated with their operations. The "per occurrence" deductibles are as follows, and are subject to change upon renewal of the insurance program. All deductibles are inclusive of legal, adjusting and investigation costs:

- 1) Automobile (All covers) - \$250,000
- 2) Property - \$100,000
- 3) General Liability - \$100,000
- 4) Professional Errors and Omissions - \$100,000

**Claims Process** - HRWC Commercial General Liability claims are currently being managed through in house HRWC staff, and through an external vendor for adjustment services. It is anticipated that HRWC will continue to manage the claims arising from their operations (exclusive of those arising from the use or operations of "Automobiles", "Property", "Boiler and Machinery", "Crime" and "Professional Liability".)

**Automobile Liability** - All claims arising from the use or operation of automobiles are to be reported to and managed by HRM Risk and Insurance Services. HRM Risk and Insurance Services staff will continue to:

- 1) Complete investigation to determine liability;
- 2) Maintain accurate reserves and payments within the IVOS Claims Management system;
- 3) Upon resolution of the claim forward all substantiating documentation to HRWC requesting reimbursement of all costs associated with the loss.

**All Claims** - In order to ensure the accuracy of the Insurance Reserve fund and reporting to the HRM/HRWC insurers, all claim files must be set up in the IVOS system. In addition, all reserves and payments must be correctly assigned in accordance with HRM Best Practices guidelines.

**Settlement of Claims** - Settlement of claims by or against HRWC managed through Risk and Insurance staff will be determined as follows:

- 1) At the discretion of the Manager of Risk and Insurance Services, where the final settlement costs is less than \$25,000.00.
- 2) At the discretion of the HRWC Director of Finance, where the final settlements are between \$25,001 and \$50,000.
- 3) At the discretion of HRWC Director of Finance and General Manager, where the final settlements are between \$50,001 and \$100,000.
- 4) At the discretion of the HRWC Board, where the final settlements are between \$100,001 and \$250,000.00.

Note: Authorization to expend HRWC funds to settle claims must be in accordance with HRWC's signing authority/authorization policies as approved by the HRWC Board.

**Apportionment of deductible and legal costs** - While in most situations it can be readily determined as to which entity's activities (HRM or HRWC) gave rise to the claim, it is anticipated that in certain circumstances there may not be agreement as to which party is involved. In those cases the final determination as to which entity's cover responds will rest with the HRM's Manager of Risk and Insurance Services, acting reasonably.

Should legal action be initiated against both HRM and HRWC, and a Defense is required, HRM and HRWC will confer to determine who initiates the Defense of the Action. It is anticipated that any outside legal fees associated with the defense may erode the applicable insurance policy deductible; however, the extent to which all or a portion of the fees fall within the terms of the insurance program will be adjudicated on a file by file basis. The final determination as to whether or not an expense is applied to the applicable policy deductible rests with the HRM's Manager of Risk and Insurance Services, acting reasonably.

**Additional Insurance Coverages as known to HRWC** - HRWC currently carries a Fiduciary policy regarding the HRWC Employees Pension Plan Administration. This is not sourced or paid for by HRM Risk and Insurance. Note, this policy is separate and apart from the insurance program referred to in the agreement. HRM does not make representations respecting the adequacy of this cover, its wordings or policy limits.

**Insurance Summaries** - HRM Risk and Insurance will provide a Binder of Insurance Summaries with the appropriate insurance and underwriting information to HRWC on an annual basis. The information provided will contain an executive summary of the underwriting information used to obtain insurance on behalf of HRWC through the insurance program

**Annual Renewals** - Renewal Insurance Summaries will be provided to HRWC as a complete package within 30 days of the receipt of the insurance policy renewal documentation by HRM. Approximately 120 days prior to annual renewal date, or at such other time as HRM may reasonably require, HRWC agrees to provide HRM with underwriting data and assist with renewal requirements.

**Certificates of Insurance (COI):**

Certificates of Insurance can be provided upon email request providing request falls within current insurance portfolio. General information required to provide the COI are:

- Purpose of COI request
- Contact name and information for the Party requesting
- Date COI required

**Changes to HRWC Book of Property, Transaction Summaries**

- In order to ensure the availability of insurance coverage, and to comply with HRM's 30 day reporting guidelines, HRWC will develop a method of providing notice of additions, deletions or changes to insured assets or values to the satisfaction of HRM.
- In the event of new buildings or building additions, notice to HRM has to be provided prior to ground breaking and the build commencing.



## **SCHEDULE "E" - TRANSPORTATION AND PUBLIC WORKS SERVICE ISSUES**

### **1.1 Storm Water Infrastructure**

HRWC will clean ditches at HRWC's cost. Asphalt and gravel shoulder reinstatements will be an HRM cost and responsibility.

HRWC will absorb cleaning costs for a catch basin, including where its operation is negatively impacted by HRM's activities, such as the build-up of road construction debris or damage/obstruction caused by winter works operations. HRWC will not be charged for catch basin adjustments or relocation of catch basins as a result of a change in road right-of-way alignment. HRWC will still be responsible for replacement of catch basins should they be structurally unsound.

HRWC will absorb the cost to adjust, repair or replace manholes and other HRWC owned surface appurtenances/hardware that are damaged as a result of winter works operations. However, HRM will absorb the repair or replacement costs for damaged fire hydrants as a result of those operations.

HRM will cover the initial costs for bike lane grates where bike lanes are installed on existing roads; however, HRWC will be responsible for all future maintenance and replacement costs for these grates. HRWC standards have been updated to include this style of grate for new construction.

### **1.2 Valve Box and Manhole Adjustments and Tree Root Repairs**

The Joint Memorandum for Hardware Adjustment and Tree Root Repair Service Exchange dated November 5, 2015 in subject to this Section 1.2.

HRM will absorb the cost to adjust, repair or replace manholes and valve boxes where such action is required as a result of the HRM Streets and Roads Recapitalization Program, but will not absorb these costs in circumstances where HRWC chooses to upgrade, repair or replace manholes, valve boxes or other HRWC owned surface appurtenances/hardware during a cost share or joint project.

HRWC acknowledges that surface appurtenances/hardware adjustments undertaken as part of the HRM Streets and Roads Recapitalization Program constitute an improvement to the condition of HRWC assets and any residual deficiencies are offset by the overall benefit to HRWC asset condition.

HRWC will be responsible for the cost of repairs to storm and sanitary sewers resulting from tree root ingress into storm and sanitary sewers in the right-of-way

### 1.3 Solid Waste Leachate Treatment Plant

#### **Highway 101 Landfill-Leachate Treatment Facility Operation Agreement of Terms**

Effective April 1, 2009, in recognition of obligations contained in Section 13 of the Wastewater Transfer Agreement, dated June 12, 2007, Halifax Water will operate the facility for HRM on the following basis:

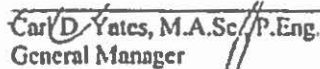
1. The Leachate Treatment Facility (LTF) operations and maintenance budget will be forwarded by Halifax Water to HRM Solid Waste by no later than December 31<sup>st</sup> of the calendar year for effect at the beginning of the next fiscal year, April 1st.
2. HRM will be financially responsible for all capital improvements and all operating and maintenance costs.
3. Halifax Water will charge direct treatment operator costs [Process Technician and Labourer] to HRM which will include a 15% surcharge to cover managerial oversight of operations, engineering project management support for capital projects and environmental services support for matters related to environmental compliance. Halifax Water will invoice HRM on a quarterly basis for this service.
4. Halifax Water will prepare cost estimates for capital projects which will include third party design and inspection fees for inclusion in HRM's annual capital budget.
5. For greater clarity, planning and implementation of capital projects will follow a staged approval process as follows:
  - a) Halifax Water engineering staff will co-ordinate preparation of tenders for identified capital projects.
  - b) The tender package will be submitted to HRM Procurement for review and approval.
  - c) HRM Procurement will forward to HRM Solid Waste staff for final approval.
  - d) HRM Procurement will tender project and review results with Halifax Water and HRM Solid Waste staff.
  - e) Halifax Water and HRM Solid Waste staff will jointly prepare report to HRM Council to award contract with technical support from Halifax Water including attendance at HRM Council meetings.
6. HRM and Halifax Water will work co-operatively to obtain Operating Approval(s) to lift the Ministerial Order currently in place for operation of the Highway 101 landfill and LTF and allow for the treatment of Otter Lake, New Era and Miller leachates at the LTF.
7. Halifax Water will operate the facility in compliance with the Public Utilities Act.
8. Halifax Water will receive and treat leachate from HRM's Otter Lake Solid Waste facility at the Mill Cove treatment facility on an interim basis for a tipping fee of \$0.00288 per gallon [\$0.6336/m<sup>3</sup>] and invoice HRM for this service on a quarterly basis.



9. It is acknowledged that Highland Energy operates a landfill gas collection and recovery system at the Highway 101 Landfill site under contract with IIRM. HRM and Halifax Water agree to work co-operatively in matters related to Highland Energy and the operation of systems and infrastructure located at the Highway 101 Landfill site.
10. If either party wishes to terminate this agreement, written notice must be given one year in advance.

HALIFAX WATER

Original Signed

  
Carl D. Yates, M.A.Sc./P.Eng.  
General Manager

HALIFAX REGIONAL MUNICIPALITY

Original Signed

  
Jim Bauld  
Manager, Solid Waste Resources

## **SCHEDULE "F" - FINANCE, INVESTMENTS AND CASH MANAGEMENT**

HRM and HRWC Finance have traditionally provided services to each other at no cost, as there was little incremental cost. For example, HRWC billed environmental protection and pollution control charges on behalf of the municipality until the 2007 Wastewater Merger.

### **1.1 Collection of outstanding wastewater and stormwater accounts**

The *HRWC Act* empowers the HRM to collect outstanding wastewater and stormwater accounts on HRWC's behalf. HRWC has an effective collection mechanism for water arrears as the utility can disconnect the service. With respect to wastewater and stormwater arrears, prior to the 2007 transfer the collection mechanism was to establish a lien on the property. With the 2007 transfer, the HRWC Act was amended to enable this collection mechanism to remain in place, as follows:

34 (1) Upon request of the Commission, or in the event of collection by the Regional Municipality of other municipal liens against a property, the Regional Municipality shall collect the lien on behalf of the Commission and, after deducting collection costs, it shall remit the proceeds to the Commission.

(2) Collection costs and proceeds shall be pro-rated between the Commission and the Regional Municipality when the collection is undertaken for both the Regional Municipality and the Commission. 2007, c. 55, s. 34.

The business process where HRM agrees to collect outstanding wastewater and stormwater arrears on behalf of HRM is as follows: HRWC transfers lienable arrears accounts to HRM. HRM establishes an account receivable, initiates collection activities and establishes a lien as required. All of the Wastewater "lienable" account credits appear on HRM's financial statements due to HRWC. HRM will recognize these credits against specific invoices from HRM.

The Due to/From account between HRM and HRWC is being reconciled on a monthly basis.

### **1.2 Stormwater Billing (non-HRWC piped service customers)**

#### **Background**

The *Municipal Government Act* and *HRM Charter* designate the stormwater system as a municipal service. Effective in 2007, responsibility for delivery of this service was transferred from HRM to HRWC; since 2007, HRWC owns and maintains the stormwater system including pipe networks, ditches, drainage channels, catch basins, and retention ponds, to provide drainage during storm events.

With the transfer in 2007, the services that HRWC provide fall under the *Public Utilities Act* and are now subject to regulation by the Nova Scotia Utility and Review Board (NSUARB), which has directed that all customers within the stormwater serviceable boundary are to be billed for stormwater services.

### Impervious Area Data

Satellite imagery/GIS data can be used on properties other than residential properties to measure impervious area. These measurements can be used to determine the stormwater charge payable in respect of the subject properties.

Stormwater charges for residential properties are based on an average impervious area.

HRWC will use satellite imagery and software to produce a GIS layer showing the impervious areas on which calculations can be based. HRWC will make satellite images/GIS layer available to HRM for the Municipality's internal use.

### Site Generated Stormwater Charge

Subject to applicable legislation, HRM will provide HRWC with data to enable HRWC to issue bills for the site generated flow charge for customers within the stormwater serviceable boundary.

### No Fees

There will be no charge back of costs between organizations associated with data sharing or billing, as the incremental costs are minimal.

## **1.3 Capital Cost Contributions**

Section 18 of the Transfer Agreement specified that:

### Regional Capital Cost Charges currently levied under By-law C-600

- (f) After the Effective Date, regional capital cost contribution charges levied in applicable regions by HRWC pursuant to HRWC Regulations shall be collected by HRM for HRWC and shall be remitted to HRWC each month. It is the intention of the parties that these charges shall replace the Regional Capital Cost Charges currently levied pursuant to By-law C-600;

New Capital Cost Contributions for Water, Wastewater and Stormwater are approved by the NSUARB, and are collected by HRM for HRWC and remitted to HRWC each month.

HRWC will be asked to sign-off and approve any configuration changes in HRM Systems or business process changes that impact levy and collection of Water, Wastewater or Stormwater CCCs.

HRM and HRWC agree that both parties must be informed as quickly as possible regarding any calculation or processing errors that result in over or under collection of CCCs.

## **1.4 Local Improvement Charges**

Section 18 (l) of the 2007 Transfer Agreement specifies the manner in which HRM levies Local Improvement Charges on behalf of HRWC.

**Local Improvement Charges under By-Law L-100**

- (I) **There shall be no change to the manner in which Local Improvement Charges currently levied by HRM pursuant to By-law L-100 are levied or administered, save and except that municipal waste-water and municipal storm-water facilities shall be dealt with in the same manner as currently applies to municipal water services;**

**1.5 Banking and Investments**

**HRWC is part of HRM's umbrella banking agreement, and pays a portion of banking related expenses equivalent to the transaction volume represented by HRWC. In addition, HRWC pays any merchant discount fees that are incurred by HRM in collecting revenues and recoveries on behalf of HRWC.**

**Investment of HRWC's funds are managed along with other Agencies, Boards and Commissions of the Municipality, under HRM's Investment Policy and governed by the Investment Policy Advisory Committee (Subcommittee of Audit and Finance).**

## **SCHEDULE "G"- INFORMATION, COMMUNICATIONS AND TECHNOLOGY**

The current Service Level Agreement between ICT, a business unit of HRM and HRWC, is hereby incorporated within and is replaced by this Schedule "G".

HRM and HRWC acknowledge and agree that they are separate legal entities. HRM can only provide HRWC with access to and use of third party software and services procured by HRM where HRM and the third party have agreed in contract that HRM is permitted to provide access and user rights to HRWC.

The ability of HRM to provide HRWC with quality service under this schedule is dependent on the compatibility of the software and hardware maintained by HRM and HRWC; and the level of compatibility is directly related to the procurement choices HRWC has made respecting the information technology it has purchased or licensed from third parties.

HRM will provide the IT services to HRWC as is described in the document reproduced below, as is amended by this Schedule G:

1. HRWC's right to receive the third party services referenced in Section 4.1 of the document below or to subscribe to the third party services detailed in Appendix A – the Service Matrix may be subject to HRWC having negotiated licensing arrangements with the relevant third party software vendors. Where no such arrangements exist, the services to HRWC may be limited or unavailable except where HRM is permitted by agreement with relevant third party vendor to sub-license the software or service to HRWC.
2. The Service Exceptions and Special Arrangements at Appendix B is contingent on HRWC having secured certain rights in the Geographical Information System ("GIS"). HRWC hereby represents that it has secured from relevant third parties all rights necessary for HRM to host, access, use and share the GIS architecture, including but not limited to the hardware, software and services referenced at Appendix C.



# HALIFAX

REGIONAL MUNICIPALITY

SERVICE LEVEL AGREEMENT

Between  
Halifax Regional Water Commission  
And  
Information, Communications & Technology Services

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0.2	Revisions	ICT CRM	July 18, 2012
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0.4	Draft SLA including updated Appendices	ICT CRM	Oct 30, 2012
0.5	Jim Kirk and Mark Helm updates	ICT CRM	Nov.5, 2012
0.6	Update Appendix B – GIS Steering Committee and Appendix C Costing	ICT CRM	Nov. 19, 2012
0.7	Results of review with Daya Pillay and Harold MacNeil with ICT updates.	ICT CRM	Dec. 14, 2012
Final 1.0	Final after Dec. 19 review with Daya Pillay and Harold MacNeil	ICT CRM	Dec. 21, 2012
Final 1.1	Corrections – CRM to ITSM, 4.2 targets, 4.7 charging example and Appendix A Service Names	ICT ITSM	Dec. 24, 2012

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## 1.0 AGREEMENT

### 1.1 Purpose of this Document

This Service Level Agreement is an agreement between HRM's Information, Communications and Technology (ICT) division and HRM Business Units, Agencies, Boards and Commissions (Clients).

The objective of this agreement is to provide a view of the services provided by ICT, service levels, targets, objectives and reporting available for the services delivered. The agreement facilitates ongoing communications and is expected to evolve over time as operational processes and procedures mature and improve.

#### *Agreement Objectives*

- Foster effective communication between Clients and ICT
- Describe the roles and responsibilities of the Client and ICT to ensure effective service delivery and optimum resource utilization
- Assist in managing service level expectations
- Document the escalation path to address service issues / problems
- Define the service level targets with the Client
- Describe the annual review and renewal cycle for this agreement
- Describe the reporting that the Client will receive

### 1.2 Terms and Conditions

This agreement makes previous agreements null and void.

Approval and signoff of this document indicates:

- o Agreement by both parties that the content is valid
- o The objectives are achievable and
- o It represents the intent of ICT to meet the information, communication and technology support and delivery needs of the Client.

At a minimum, the agreement will be reviewed annually to allow ICT to respond to the changing needs of the business and ICT capabilities. Scope, roles / responsibilities and service levels will be assessed and adjusted accordingly.

Amendments and additions to this agreement will be reviewed and approved by the Client and ICT. The agreement is intended to evolve as additional services and / or changes to services are introduced.

The Service Level Manager (ICT's Manager of IT Service Management (ITSM)) is the owner of this document and is responsible for all changes. Responsibilities include:

- Document maintenance
- Review of suggested / required updates
- Alignment with ICT Service Catalogue
- Ensure all changes are negotiated and approved by all parties
- Maintain an archive of current and past versions

## **2.0 SERVICE LEVEL MANAGEMENT**

ICT is adopting an IT Service Management (ITSM) approach for the delivery, support and management of ICT services. ITSM is based on the ITIL® framework<sup>1</sup>, an international best practices model for IT service management.

In order to enable consistent and repeatable service support and delivery, ICT has implemented a Service Level Management (SLM) process within the ICT organization. The SLM process uses best practices and guidelines as the basis upon which to manage ICT services for HRM.

### **2.1 Service Level Agreement**

Service Level Agreements (SLAs) are established between ICT and HRM Clients forming a service provider to client relationship. The intent is to develop a partnership and provide for ongoing communication through a mutually beneficial agreement.

ICT responds to the requirements defined by the Clients by describing the services ICT provides, key service level targets to be achieved and the responsibilities of both parties in the delivery of these services. The SLAs are also used in conjunction with the Service Catalogue to record any agreed service exceptions to the standard services.

### **2.2 Service Management Roles and Responsibilities**

ICT will work closely with the Client to ensure a clear understanding of the roles and responsibilities and their dependencies that play a part in the SLM process. The following outlines a high level view of some of the key responsibilities of ICT and the Client.

#### **2.2.1 ICT Responsibilities**

The responsibilities of ICT to the Client are to:

- Ensure the SLM process provides value to the Client
- Formulate, agree and maintain an appropriate SLM structure for the organization that will:
  - Maintain the SLA with the Client – Updates to the SLA are reviewed annually and / or when new services are being activated or changed
  - Discuss and agree with both the Client and ICT any service level requirements for proposed new / developing services
  - Document / update the Service Level targets and seek Office of Chief Information Officer (OCIO) approval
  - Determine service level measurement, reporting and monitoring requirements
  - Analyze and review service performance against SLAs
  - Produce regular ICT reports on service performance and achievements
  - Organize and conduct regular service level reviews with the Client
  - Ensure communication channels exist for effective Service Level Management collaboration with the Client
  - Present service improvement initiative opportunities

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<sup>1</sup> ITIL® is a registered trademark of the U.K.'s Office of Government Commerce

- o Identify and coordinate actions required to maintain or improve service levels within ICT
- o Act as coordination point for any temporary changes to service levels required
- Conduct annual reviews of the entire SLM process and recommend SLM process improvements (i.e. measure the process and recommend improvements)
- Execute SLM process improvements
- Promote integration with other IT service management and business processes
- Create and maintain a Service Catalogue of existing services offered by ICT

### 2.2.2 Client Responsibilities

In order for the SLM process to provide the best service to the Client, the Client has an equally important role in the process and has associated responsibilities. These responsibilities are to:

- Identify an individual to represent the Client in the SLM process
- Promote the intent of ICT to meet the documented service and service level requirements of the Client within the Client organization
- Collaborate and agree on service level targets and levels
- Participate in the formulation, documentation, approval and sign-off of the ICT SLA
- Participate in service performance reviews with ICT to identify service improvement opportunities
- Ensure communication channels exist for effective SLM collaboration with ICT
- Assist with service improvement programs where applicable
- Communicate Client / staff roles and responsibilities to ICT

### 2.3 SLM Issue Management and Escalation

The purpose of the SLM issue management and escalation process is to ensure a formalized escalation path exists in the event that service related issues cannot be resolved. This process can be triggered by the following circumstances:

- Service related issues that cannot be resolved at service review meetings
- Customer demands for immediate escalation / attention

The issue management and escalation process is not to be confused with the ICT Service Desk issue / incident management process escalation procedure. All parties agree to make every effort to resolve issues at the lowest level, progressing to the next level only when necessary.

Escalation	Responsible Client Representative	ICT
1 <sup>st</sup>	HRWC Designated Contacts	Myrona Lopez ICT Consultant <a href="mailto:lopezm@halifax.ca">lopezm@halifax.ca</a> 490-8592
2 <sup>nd</sup>	Dayalan Pillay Manager, Information Services <a href="mailto:dayalano@halifaxwater.ca">dayalano@halifaxwater.ca</a>	Jim Kirk Manager ICT Planning and CRM <a href="mailto:kirkj@halifax.ca">kirkj@halifax.ca</a>

Escalation	Customer / Client Representative	ICT
	490-6921 (office) 266-8776  Harold MacNeil Manager, Engineering Information <a href="mailto:HaroldM@halifaxwater.ca">HaroldM@halifaxwater.ca</a> 490-6234 (office) 441-1084 (mobile)	490-7297 (office) 237-9117 (mobile)
3 <sup>rd</sup>	Jamie Hannam Director, Engineering and Information Services <a href="mailto:Jamie.Hannam@halifaxwater.ca">Jamie.Hannam@halifaxwater.ca</a> 490-4804 (office) 441-1079 (mobile)	Donna Davis Chief Information Officer, ICT <a href="mailto:davisd@halifax.ca">davisd@halifax.ca</a> 490-4447 (office) 476-8486 (mobile)

**Customer**

A person who uses ICT services on a day-to-day basis. Customers are distinct from Clients, as some Clients do not use the IT service directly.

**Client Management**

This is the person or group, representing the Client, who defines and agrees to the service level targets.

**Client Signee**

Is the individual who accepts the SLA terms and conditions on behalf of the client organization.

**ICT Consultant**

Each Client has a designated ICT Consultant who acts as a point of contact for management and escalation. The ICT Consultants are critical members of the ITSM team who focus on ensuring customer satisfaction and reporting on achievement of service targets.

**Manager of IT Service Management (ITSM)**

The Manager of ITSM is the owner of the SLM process and is accountable for customer satisfaction and service achievement reporting.

**Chief Information Officer**

The Chief Information Officer is ultimately accountable for the design, implementation, operation and continual improvement of all ICT Services. Focus is on the long-term, lifecycle management of all Services and sign-off on Service Level Targets committed in SLAs and are accountable for target attainment.

### **3.0 QUARTERLY SERVICE PERFORMANCE REVIEWS**

The SLA is the primary tool / document used to begin service reviews and service level discussions. The purpose of the review meetings with the Client is to present and discuss the overall service performance of ICT services and to:

- Determine if service level targets defined in the SLA are being achieved or if there are shortfalls
- Provide a measurement point to facilitate service and / or process improvements
- Review service improvement initiatives
- Determine Client satisfaction regarding the services

#### **3.1 Service Review Meetings**

The ICT ITSM team works in collaboration with the Client to develop quarterly service reviews to communicate and discuss issues and opportunities regarding ICT services. As a minimum, participants should include the Client Representative and the ICT Consultant. The agenda may include:

- Current quarter service level achievement reports for incident resolution, service request completion and project performance
- Unplanned system outage events, resolution activities, what worked, what didn't and next steps
- High Priority / Major Incidents that missed resolution targets
- Status of current service improvement programs
- New service improvement opportunities (Client / ICT specifications)
- Client news / updates (changed service requirements)
- ICT news / updates (upcoming planned outages, releases, new processes)

All services are monitored to verify that the Client's service requirements are being met. When service level targets are not met, causes will be identified and appropriate modifications to service delivery methods will be made to improve service delivery.

Information gathered and collected before or during the service review meetings will be used to develop service improvement plans.



## 4.0 SERVICES AND SERVICE LEVELS

### 4.1 Services

The SLA encompasses ICT services described in the ICT Service Catalogue and are categorized as follows

Service Category	Description
3.0 Enterprise Services	These are ICT services that address a specific set of processes or functionality and are used or have the potential to be used by all HRM Clients.
4.0 Business Unit - Specific Services	This section describes services that are restricted in their use. They are available only to the Business Units Indicated.
5.0 Telecommunication Services	This section describes the Telecommunications Products and Services provided by ICT, supplying HRM management and staff with procedures and time frames for requesting and receiving telecommunications services
6.0 Professional Services	Professional Services are provided to assist in development of new or changing systems and services, data management and provision of staff training

Note: Not all Clients subscribe to all services. The Service Matrix in Appendix A illustrates the services delivered to each Client.

[Click here](#) to view the current ICT Services Catalogue.

For each ICT service, several topics are addressed and are intended to provide answers to common customer questions.

- What does the service include and when is it available (e.g. 5 or 7 days a week and 8, 16 or 24 hours a day)?
- Requests for service (e.g. new / changed user access)
- Restrictions or constraints (restricted access, planned maintenance outages, etc.)
- Prerequisites (approvals, training, infrastructure, etc.)
- Costs (if applicable)
- How to order
- Training availability
- How to get help with service issues (incident resolution)
- Staff responsibilities

For requests for service and help with issues, the catalogue presents target time frames (hours / days) for completion of the work. The following illustrates the target categories.

**Complete** The target completion time for service requests (e.g. a new user access request has been completed or new report has been delivered to the requester).



- Resolved** There is an issue / incident with a service. A system is not working or is not performing as agreed. Resolved is the target time (the number of hours or days) within which the issue will be resolved.
- Respond** Where a service request requires consultation with the customer and / or a 3<sup>rd</sup> party, ICT resources commit to confirming receipt of the request (Response) within a specific timeframe. At this time, measurement and reporting of Response targets is not possible. This capability will be added in the future when the existing request management tracking system is replaced.

#### 4.2 Service Targets and Levels

The Service Catalogue and this SLA reflect ICT's understanding of the requirements and expectations of our Clients. ICT will measure performance against these targets.

ICT aims to achieve the Service Target Completion / Resolution times detailed for each service 80% of the time.

If targets are missed, ICT will evaluate why they were missed and, where appropriate, will initiate service improvement plans to get performance back on track. Over time, the aim is to continually improve service performance.

#### 4.3 Service Level Reporting

ICT reporting exists for incident resolution (e.g. system failure) and service request fulfillment. The reports illustrate service volumes and service level achievements and present ICT performance against target levels outlined in the ICT Service Catalogue and SLA. Service Level Reports will be distributed to Clients on a quarterly basis. Improvements to reporting and measurement capabilities are made on an ongoing basis. Each improvement / change will follow the ICT Change Management Process.

Report	Frequency	Description	Assigned and Distributed
ICT Service Trend Report	Quarterly	HRM enterprise-wide service volumes and service level achievement for the current and previous 12 months	Client Management will be advised via email that reports have been published to InsideHRM
Service Request Fulfillment	Quarterly	Three-month report on services requests for the month the work was completed	
Incident Resolution	Quarterly	Three-month report on achievement of incident resolution targets for the month in which the issue was resolved	

#### **4.4 Service Interruptions**

##### **4.4.1 Planned Maintenance Outages**

ICT systems are kept current and secure through regular system maintenance including the application of software patches and updates. Systems must be taken off-line to do this work. To minimize the business impact of service unavailability, ICT schedules this maintenance activity during non-peak times and these are detailed in the Service Catalogue. For services available during core business hours, the maintenance window is every Wednesday evening from 6:00PM to 9:00PM. The window for 7/24 services or those with extended hours is every Wednesday from 9:00PM to 12:00PM. Customers are advised when a planned outage is scheduled.

##### **4.4.2 IT Service Continuity**

In the event of a disaster, currently there are no defined plans or systems for recovery should any or all ICT systems fail. ICT intends to evaluate the need and timing for Service Continuity Plans by the end of fiscal 2012. This is reflected in the operations plan.

#### **4.5 Service Exceptions**

The Service Catalogue and this SLA reflect ICT's standard levels of service to Clients. However, certain Clients' business needs demand a higher level of service for issue resolution, services requests and support availability (i.e. support after business hours). These service exceptions are detailed in Appendix B.

#### **4.6 Special Arrangements**

Certain services have specific seasonal activities. Client specific special arrangements are detailed in Appendix B.

#### **4.7 Charging**

Generally, there are no incremental charges for services. Some service requests are billed back to the Client (e.g. ad hoc use of ICT resources, etc.). Client specific charges, billing cycles and payment methods are detailed in Appendix C.

#### **4.8 Data Maintenance and Support**

HRM Corporate data is a valuable resource to ICT Clients allowing them to make informed decisions. ICT and certain Clients share accountability for data integrity and quality. When appropriate, Data Maintenance and Support Agreements are detailed in Appendix D.

## 5.0 SIGNATORIES

### Parties to this Agreement

This agreement is made between HRM's Information, Communications and Technology division and HRM Business Units, Agencies, Boards and Commissions (Clients).

#### For the Halifax Regional Water Commission

  
Original Signed

Carl Yates  
Name

Signature

General Manager  
Title

Date

Jan. 10/13

#### For HRM ICT

Original Signed

Donna Davis  
Name

Signature

Chief Information Officer  
Information, Communications and Technology  
Title

Date

Feb 1, 2013

## APPENDIX A – SERVICE MATRIX

The following table illustrates the services that are covered by this Service Level Agreement. With the exception of 4.0 Business Unit Specific Service, B.1 HRWC Application Hosting and Support, a complete description of all services is available in the ICT Service Catalogue. The most recent version can be found at <http://redhwm-business.com/ICT/Documents/ICTServiceCatalogue.pdf>.  
 \* B.1 HRWC Application Hosting and Support is described in Appendix B, Service Exceptions.

Ref.#	Service	In Scope	ICT Service Desk
3.0	<b>Enterprise Services</b>		
3.1	Email		
3.2	Enterprise Asset Management		
3.2.1	Asset Management – Buildings and Vehicles		
3.2.2	Asset Management – Financial Consolidation		
3.2.3	Asset Management – Right-of-Way		
3.3	File / Print Services		
3.4	Finance Systems		
3.4.1	Financial Management Systems		
3.4.2	Procurement / Inventory Management Systems		
3.4.3	Payroll System		
3.5	Geographical Information System		
3.6	Human Resource System		
3.7	Permitting and Revenue Systems		
3.7.1	Customer Relationship Management	✓ <sup>2</sup>	
3.7.2	Permitting and Licensing Systems	✓	✓
3.7.3	Revenue Systems		
3.8	Personal Computing Services		
3.9	Service Desk		
3.10	Web Development and Support	✓	
4.0	<b>Business Unit Specific Services</b>		
4.1	Emergency Dispatch Systems		
4.2	Fire & Emergency Systems (Fire RMS)		
4.3	Policing Systems		
4.4	Recreation Systems		
4.5	Transit Systems		
B.1*	HRWC Application Hosting and Support	✓	✓
5.0	<b>Telecommunication Services</b>		
5.1	Audio Conferencing Services		
5.2	Internet Access	✓	✓
5.3	Network Service	✓	
5.4	Remote Access	✓	Support only
5.5	Voice, Mobile and Radio Services		
6.0	<b>Professional Services</b>		
6.1	Business Solutions Delivery Service	✓	
6.2	Data Management Services		
6.3	IT Training	✓	
6.4	Reporting Services	✓	

<sup>2</sup> Only for requests for new / changed user access to facilitate update of HRM workorders.



## APPENDIX B – SERVICE EXCEPTIONS AND SPECIAL ARRANGEMENTS

### B.1 Service Exceptions

The Halifax Regional Water Commission (HRWC) does not consume the Geographical Information System services as described in the ICT Service Catalogue. Rather, it shares the responsibility / ownership of the HRM GIS systems and infrastructure hosted within HRM facilities.

The following table describes these services.

B.1.1 HRWC Application Hosting and Support	
<p><b>Service overview –</b> HRM's ICT department hosts and supports the Halifax Regional Water Commission's Geographical Information System in the ICT data centre providing a highly available application environment by maintaining infrastructure and systems.</p>	
What is included in this service?	What options are available?
<p>The Application Hosting &amp; Support Service provides a suite of capabilities to facilitate ...</p> <p><b>Infrastructure Services</b></p> <ul style="list-style-type: none"> <li>• Hardware and software management</li> <li>• Network connectivity</li> <li>• Security</li> <li>• Application &amp; Database support and maintenance</li> <li>• Storage</li> <li>• Capacity planning</li> <li>• Backup and restore</li> <li>• Software Maintenance</li> <li>• GIS Systems and Services</li> <li>• Hardware / Software Environment and Resource Cost Sharing (incl maintenance and recapitalization)</li> <li>• Maintenance of the SDE Instance and SDE administration</li> <li>• Applications Administration - all administration for ReGIS and DDE applications, including user/password creation and maintenance</li> <li>• HRM will maintain its own Flex and Web based applications, including existing IMS, ReGIS and DDE applications</li> <li>• Both agencies will share all source code.</li> <li>• Maintenance and administration of a separate virtual server for HRWC application development purposes.</li> <li>• Shared common QA/Testing environment administered by HRM.</li> </ul> <p>The infrastructure and systems for hosted applications are designed to be available 7 days a week, 24 hours a day.</p>	
What are the restrictions or constraints?	
<ul style="list-style-type: none"> <li>• The systems may not be available during the client's planned maintenance outages. Where HRM systems are impacted, GIS outages are scheduled on Wednesday mornings (7:00AM-8:00AM).</li> </ul>	

<p>Infrastructure outages are scheduled Wednesday evenings (9:00PM-11:00PM). Clients and staff are advised.</p> <ul style="list-style-type: none"> <li>This service excludes HRWC participation in the following applications and software <ul style="list-style-type: none"> <li>Public on-line mapping application known as ExploreHRM</li> <li>ESRI's Tracking Server</li> <li>Additional software or applications developed by HRM in the future, unless the HRWC chooses to opt in at a later date</li> </ul> </li> <li>Note: No further development will occur for the current ReGIS, IMS and InsideExploreHRM environments</li> </ul>	
<b>What must I already have to use it?</b>	<b>What does it cost?</b>
	As outlined in Appendix C of this Agreement
<b>How do I order it and how long will it take?</b>	
Contact the Service Desk @ 490-4444, email @ ICT Service Desk < <a href="mailto:ictsd@halifax.ca">ictsd@halifax.ca</a> > or <a href="#">click here</a> to order these services:	
<b>Standard Requests</b>	<b>Service Target</b>
New / revised user access	Complete 3 business days
Data schema changes	Respond 1 business day
Contact your ICT Consultant for the following requests:	<b>Service Target</b>
New or changed GIS functionality Map cache creation or recreation	The delivery target time is determined after consultation with the HRWC, vendor, ICT staff and confirmation of scope and complexity.
<b>Can I receive training?</b>	
When formalized training is held by either HRM or the HRWC, any un-filled seats will be made available to the other organization. HRM will set the training requirements for all HRWC staff that have administrative access.	
<b>Who do I call for help?</b>	
For service failures, you should telephone the Service Desk @ 490-4444 to log the issue. The Service Desk is staffed Monday to Friday from 8:00AM to 5:00PM.	
Error resolution support is available Monday to Friday from 8:30AM to 4:30PM.	<b>Service Target (based on priority)</b>
Priority 1 (service is unavailable)	Resolved 4 business hours
Priority 2 (service is degraded & affects all users)	Resolved 1 business day
Priority 3 (single user issues)	Resolved 3 business days
<b>Service Outside Standard Business Hours</b>	
Should Infrastructure Services be required outside standard working hours, the HRWC Information Services Manager will contact the HRM Service Desk at 490-4444 to make arrangements for extended services. These services will then be billed at the HRM after-hours	



rates for services and materials as identified in ICT Infrastructure Services detailed in Appendix C of this agreement.

#### HRWC responsibilities with this service?

The HRWC is responsible to:

- Telephone the Service Desk for assistance with service failures and errors
- For planned outages that will impact HRM systems, contact your ICT Consultant to coordinate through ICT's Change Management.
- Geomatic Programming - all responsibility for maintaining, developing and administering the custom-built 'Forms' and Flex Applications developed for and by the HRWC remains with the HRWC.
- All stand-alone licensing in place at the HRWC on the signing of this agreement will be retained by the HRWC.
- Reports - The HRWC will be responsible for developing and maintaining all required reports. Should reports create a performance problem on the server, the party running the report will be notified and be asked to run the report outside of standard working hours. On-going use of that report during working hours will be disabled.
- Custom Toolbars - The maintenance of custom toolbars will remain the responsibility of the HRWC.
- The HRWC is required to adhere to HRM's change management processes and policies for all applications residing on HRM hardware.

## **B.2 Special Arrangements**

The HRWC and HRM have shared access to and responsibility for the GIS illustrated at the end of Appendix C.

Decisions on the specific components to be included in the HRWC/HRM shared infrastructure will be reviewed and agreed by the Manager, Engineering Information for the HRWC and the Manager, ICT Planning and CRM for HRM. In scope decisions will include:

- Operating system level
- Infrastructure investment
- Investment to mitigate potential capacity issues
- Planning related issues around software versions, upgrades and application migrations
- Planning related to GIS initiatives and overall direction within HRWC / HRM that have an impact on the shared hardware / software environment

**Dispute Resolution** – Should the HRWC and HRM be unable to reach consensus or resolve an issue through negotiation, the issue will be referred to the HRWC's Director, Engineering and Information Services and HRM's CIO for resolution and decision.

**APPENDIX C – CHARGING**

**Ad hoc Charges**

Ad hoc use of ICT Training, Reporting and GIS Resources will be billed monthly based the following hourly rates.

Resource	2012/2013		2013/2014	
	Regular	Overtime	Regular	Overtime
GIS System Analyst	49.28	73.93	50.28	75.42
GIS Programmer Analyst	45.80	68.71	46.73	70.09
Programmer Analyst (Reports)	45.80	68.71	46.73	70.09
Systems Trainer	41.10	61.65	41.92	62.87

Where possible, the HRWC will provide two weeks' notice to schedule these resources.

**Annual Service Charges**

The tables on the following pages provide details on the annual costs for both ICT Infrastructure and ITC Geographic Information Systems and Services. A snapshot of the GIS architecture is included as the last page of this Appendix.





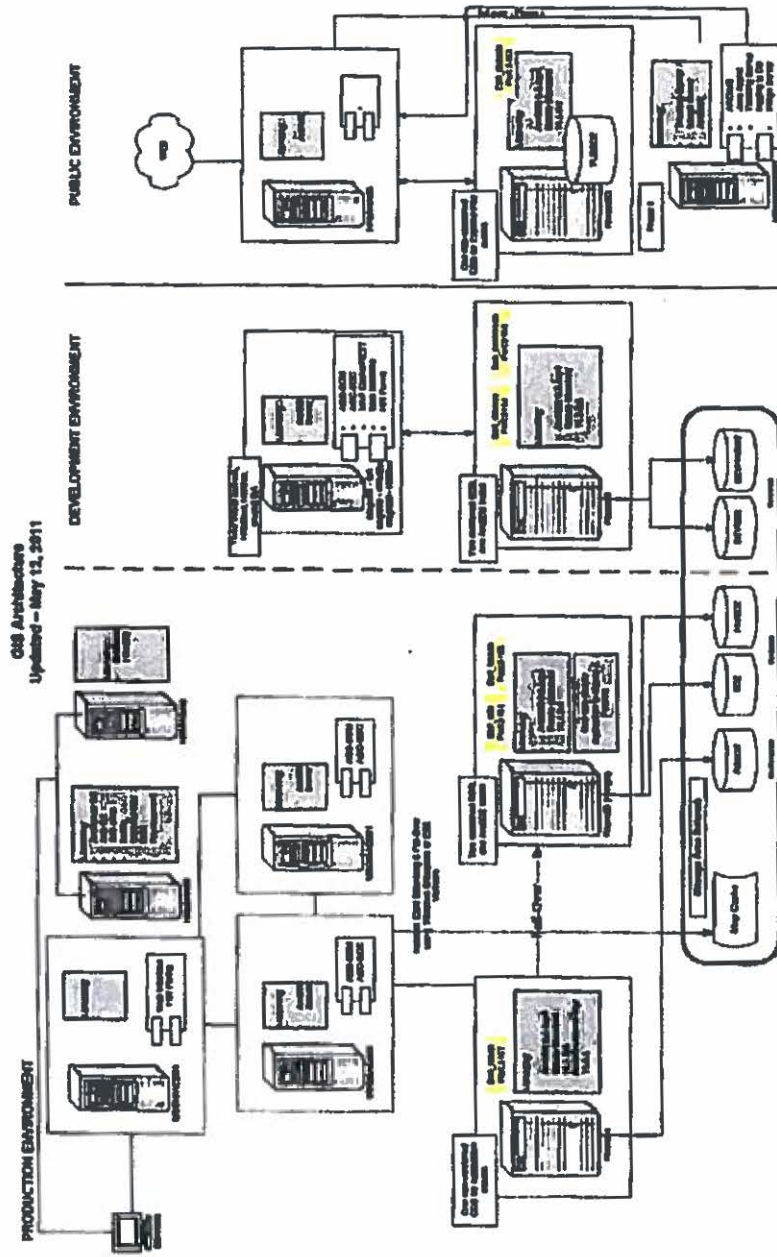
Operational Area:  
Date:

**Inventory of Services Provided to Halifax Water Commission (HRWC)**

ICT Geographic Information Systems and Services  
November 2012

Service Area	Service With Description	Unit of Measure (Hours / Month)	Unit Cost (\$/hr)	Amount of Service	Cost	Comments	HRWC Contact Name & Phone
Software Support Services	GIS Application Administration	% of total	\$8,000.00	10%	\$8,000.00		
	GIS Administration	% of total	200.00	10%	20,000.00		
	GIS Data Management	% of total	200.00	10%	20,000.00		
	GIS Applications and Printing	% of total	200.00	10%	20,000.00		
	GIS System Administration	% of total	200.00	10%	20,000.00		
	Mobile Admin & Training	% of total	200.00	10%	20,000.00		
	Mobile Admin & Training	% of total	200.00	10%	20,000.00		
	Mobile Support/Help/Advis	% of total	200.00	10%	20,000.00		
	Software Production	% of total	200.00	10%	20,000.00		
	Software Support and Printing	% of total	200.00	10%	20,000.00		
	Development Environment Admin & Support	% of total	200.00	10%	20,000.00		
	Oracle Server Administration	% of total	200.00	10%	20,000.00		
	Production DB (Web-Ready Program/07)	% of total	200.00	10%	20,000.00		
	Production DB (Web-Ready Program/07)	% of total	200.00	10%	20,000.00		
	Hardware / Software Environment and Resource Cost Sharing (incl. maintenance and replacement)	HW Maintenance	% of total	1,200.00	5%	60,000.00	One (1) year 2012-2013, 4th and 6th year of life.
Operating System		% of total	200.00	5%	10,000.00	One (1) year 2012-2013, 4th and 6th year of life.	
PC-Configuration		% of total	200.00	5%	10,000.00	One (1) year 2012-2013, 4th and 6th year of life.	
HW Maintenance		% of total	1,200.00	5%	60,000.00	One (1) year 2012-2013, 4th and 6th year of life.	
Operating System		% of total	200.00	5%	10,000.00	One (1) year 2012-2013, 4th and 6th year of life.	
PC-Configuration		% of total	200.00	5%	10,000.00	One (1) year 2012-2013, 4th and 6th year of life.	
HW Maintenance		% of total	1,200.00	5%	60,000.00	One (1) year 2012-2013, 4th and 6th year of life.	
Operating System		% of total	200.00	5%	10,000.00	One (1) year 2012-2013, 4th and 6th year of life.	
PC-Configuration		% of total	200.00	5%	10,000.00	One (1) year 2012-2013, 4th and 6th year of life.	
HW Maintenance		% of total	1,200.00	5%	60,000.00	One (1) year 2012-2013, 4th and 6th year of life.	
Operating System		% of total	200.00	5%	10,000.00	One (1) year 2012-2013, 4th and 6th year of life.	
PC-Configuration		% of total	200.00	5%	10,000.00	One (1) year 2012-2013, 4th and 6th year of life.	
HW Maintenance		% of total	1,200.00	5%	60,000.00	One (1) year 2012-2013, 4th and 6th year of life.	
Operating System		% of total	200.00	5%	10,000.00	One (1) year 2012-2013, 4th and 6th year of life.	
PC-Configuration		% of total	200.00	5%	10,000.00	One (1) year 2012-2013, 4th and 6th year of life.	
<b>Total Costs</b>							HRWC Contact Name & Phone 21,474.16 93,877.58

Costing for the ICT Geographic Information Systems and Servicas is based on the following shared infrastructure.





## APPENDIX D – DATA MANAGEMENT

### Data Security

Unique user accounts must be created for access to the HWSDE, SDE and ROSDE instances.

- The HRWC staff administer user access and editing ability for the HWSDE Instance.
- HRM staff administer user access and editing ability for the SDE and ROSDE Instances.

### Restrictions

- HRM and the HRWC will continue to be responsible for licensing and releasing their respective data sets to external agencies.

### Data Maintenance

- HRM provides the HRWC access to the standard HRM feature classes for use in the HRWC's GIS applications.
- When making schema changes to the HWADM schema, the HRWC will consult with HRM to ensure continuity across to ROSDE.
- The HRWC provides to HRM an annual refresh of all fire hydrants indicating which are suitable for fire protection. This occurs in late June to support the production of the fire protection area rate boundary for tax purposes.

