

**GREATER VANCOUVER WATER DISTRICT (GVWD)
BOARD OF DIRECTORS**

BOARD MEETING

Friday, July 26, 2024

9:00 am

28th Floor Boardroom, 4515 Central Boulevard, Burnaby, British Columbia

Webstream available at <https://metrovancouver.org>

[Membership and Votes](#)

A G E N D A¹

A. ADOPTION OF THE AGENDA

1. July 26, 2024 Meeting Agenda

That the GVWD Board adopt the agenda for its meeting scheduled for July 26, 2024 as circulated.

B. ADOPTION OF THE MINUTES

1. June 28, 2024 Meeting Minutes

That the GVWD Board adopt the minutes for its meeting held June 28, 2024 as circulated.

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C. DELEGATIONS

D. INVITED PRESENTATIONS

E. CONSENT AGENDA

Note: Directors may adopt in one motion all recommendations appearing on the Consent Agenda or, prior to the vote, request an item be removed from the Consent Agenda for debate or discussion, voting in opposition to a recommendation, or declaring a conflict of interest with an item.

¹ Note: Recommendation is shown under each item, where applicable. All Directors vote unless otherwise noted.

1. WATER COMMITTEE REPORTS

1.1 Award of RFP 23-346 for the Stanley Park Water Supply Tunnel

pg. 7

That the GVWD Board:

- a) approve the award of RFP 23-346 for the Stanley Park Water Supply Tunnel, in the amount of up to \$318,186,261 (exclusive of taxes) to Burrard-Chilco Partnership subject to final review by the Commissioner;
- b) authorize an increase in the overall Stanley Park Water Supply Tunnel approved budget from \$395 million to \$495 million in advance of the 2025-2029 Financial Plan; and
- c) authorize the General Manager, Procurement and Real Estate to execute the required documentation once the General Manager, Procurement and Real Estate is satisfied that the award should proceed.

1.2 Award of Phases 2 and 3 of RFP 20-097 for Construction Management Services for the Stanley Park Water Supply Tunnel

pg. 13

That the GVWD Board:

- a) approve the award of Phases 2 and 3 of RFP 20-097 for Construction Management Services for the Stanley Park Water Supply Tunnel in the amount of up to \$13,942,932 (exclusive of taxes) to Delve Underground, subject to final review by the Commissioner; and
- b) authorize the General Manager, Procurement and Real Estate to execute the required documentation once the General Manager, Procurement and Real Estate is satisfied that the award should proceed.

1.3 Award of Phase C of RFP 18-023 for Consulting Engineering Services for the Stanley Park Water Supply Tunnel

pg. 16

That the GVWD Board:

- a) approve the award of Phase C of RFP 18-023 for Consulting Engineering Services for the Stanley Park Water Supply Tunnel in the amount of up to \$24,129,946 (exclusive of taxes) to Mott MacDonald Canada Ltd., subject to final review by the Commissioner; and
- b) authorize the General Manager, Procurement and Real Estate to execute the required documentation once the General Manager, Procurement and Real Estate is satisfied that the award should proceed.

2. FINANCE COMMITTEE REPORTS

2.1 Award of RFP 24-188 for External Audit Services and Appointment of External Auditors

pg. 19

That the GVWD Board:

- a) approve the award of RFP 24-188 for External Audit Services, in the amount of up to \$1,188,800 (exclusive of taxes) to KPMG LLP, for a term of five (5) years, subject to final review by the Commissioner;
- b) appoint KPMG LLP, as external auditors for the fiscal years 2024 to 2028; and
- c) authorize the General Manager, Procurement and Real Estate to execute the required documentation once the General Manager, Procurement and Real Estate is satisfied that the award should proceed.

F. ITEMS REMOVED FROM THE CONSENT AGENDA

G. REPORTS NOT INCLUDED IN CONSENT AGENDA

H. MOTIONS FOR WHICH NOTICE HAS BEEN GIVEN

I. OTHER BUSINESS

1. GVWD Board Committee Information Items and Delegation Summaries

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J. RESOLUTION TO CLOSE MEETING

Note: The Board must state by resolution the basis under section 90 of the Community Charter on which the meeting is being closed. If a member wishes to add an item, the basis must be included below.

K. ADJOURNMENT

That the GVWD Board adjourn its meeting of July 26, 2024

**GREATER VANCOUVER WATER DISTRICT
BOARD OF DIRECTORS**

Minutes of the Regular Meeting of the Greater Vancouver Water District (GVWD) Board of Directors held at 9:34 am on Friday, June 28, 2024, in the 28th Floor Boardroom, 4515 Central Boulevard, Burnaby, British Columbia.

MEMBERS PRESENT:

Anmore, Vice Chair, Director John McEwen	Richmond, Director Chak Au
Belcarra, Director Jamie Ross	Richmond, Director Malcolm Brodie
Burnaby, Director Pietro Calendino	Richmond, Director Bill McNulty
Burnaby, Director Sav Dhaliwal	Surrey, Director Harry Bains*
Burnaby, Director Mike Hurley	Surrey, Director Doug Elford
Coquitlam, Director Craig Hodge	Surrey, Director Gordon Hepner
Coquitlam, Director Teri Towner	Surrey, Director Pardeep Kooner
Delta, Alternate Director Rod Binder for Director George V. Harvie	Surrey, Director Brenda Locke*
Delta, Director Dylan Kruger	Surrey, Director Rob Stutt
Electoral Area A, Director Jen McCutcheon	sc̓áw̓aθ̓ən məsteyəx ^w (Tsawwassen First Nation), Alternate Director Bryce Williams for Director Laura Cassidy
Langley City, Director Paul Albrecht (departed at 9:35 am)	Vancouver, Director Rebecca Bligh
Langley Township, Director Eric Woodward	Vancouver, Director Adriane Carr
Langley Township, Director Steve Ferguson	Vancouver, Director Lisa Dominato (departed at 9:35 am)
Maple Ridge, Director Dan Ruimy	Vancouver, Director Sarah Kirby-Yung
New Westminster, Director Patrick Johnstone	Vancouver, Director Mike Klassen
North Vancouver City, Director Linda Buchanan	Vancouver, Director Ken Sim
North Vancouver District, Director Lisa Muri	Vancouver, Director Lenny Zhou
Pitt Meadows, Director Nicole MacDonald	West Vancouver, Director Mark Sager*
Port Coquitlam, Director Brad West	Commissioner Jerry W. Dobrovlny (Non-voting member)
Port Moody, Director Meghan Lahti	

* denotes electronic meeting participation as authorized by the *Procedure Bylaw*

STAFF PRESENT:

Dorothy Shermer, Corporate Officer
Catherine Grosson, Legislative Services Coordinator, Board and Information Services

A. ADOPTION OF THE AGENDA

1. June 28, 2024 Meeting Agenda

It was MOVED and SECONDED

That the GVWD Board adopt the agenda for its meeting scheduled for June 28, 2024 as circulated.

CARRIED

B. ADOPTION OF THE MINUTES

1. May 31, 2024 Meeting Minutes

It was MOVED and SECONDED

That the GVWD Board adopt the minutes for its special joint meeting held May 31, 2024 as circulated.

CARRIED

2. May 31, 2024 Meeting Minutes

It was MOVED and SECONDED

That the GVWD Board adopt the minutes for its meeting held May 31, 2024 as circulated.

CARRIED

C. DELEGATIONS

No items presented.

D. INVITED PRESENTATIONS

No items presented.

E. CONSENT AGENDA

No items presented.

F. ITEMS REMOVED FROM THE CONSENT AGENDA

No items presented.

G. REPORTS NOT INCLUDED IN CONSENT AGENDA

No items presented.

H. MOTIONS FOR WHICH NOTICE HAS BEEN GIVEN

No items presented.

I. OTHER BUSINESS

No items presented.

9:35 am Directors Albrecht and Dominato departed the meeting.

J. RESOLUTION TO CLOSE MEETING

It was MOVED and SECONDED

That the GVWD Board close its meeting scheduled for June 28, 2024 pursuant to section 226 (1) (a) of the *Local Government Act* and the *Community Charter* provisions as follows:

- 90 (1) A part of a council meeting may be closed to the public if the subject matter being considered relates to or is one or more of the following:
- (e) the acquisition, disposition or expropriation of land or improvements, if the council considers that disclosure could reasonably be expected to harm the interests of the municipality.

CARRIED

K. ADJOURNMENT

It was MOVED and SECONDED

That the GVWD Board adjourn its meeting of June 28, 2024.

CARRIED

(Time: 9:35 am)

CERTIFIED CORRECT

Dorothy Shermer, Corporate Officer

Mike Hurley, Chair

68888128

To: GVWD Board of Directors

From: Murray Gant, Director, Major Projects, Project Delivery

Date: July 16, 2024 Meeting Date: July 26, 2024

Subject: **Award of RFP 23-346 for the Stanley Park Water Supply Tunnel**

WATER COMMITTEE RECOMMENDATION

That the GVWD Board:

- a) approve the award of RFP 23-346 for the Stanley Park Water Supply Tunnel, in the amount of up to \$318,186,261 (exclusive of taxes) to Burrard-Chilco Partnership subject to final review by the Commissioner;
 - b) authorize an increase in the overall Stanley Park Water Supply Tunnel approved budget from \$395 million to \$495 million in advance of the 2025-2029 Financial Plan; and
 - c) authorize the General Manager, Procurement and Real Estate to execute the required documentation once the General Manager, Procurement and Real Estate is satisfied that the award should proceed.
-

At its July 3, 2024 meeting, the Water Committee considered the attached report titled “Award of RFP 23-346 for the Stanley Park Water Supply Tunnel”, dated June 25, 2024 and passed the recommendation as presented above. The Water Committee requested additional information related to the cost estimate development, procurement methodology, and the project management methodology regarding the request to increase the overall Stanley Park Water Supply Tunnel approved budget from \$395 million to \$495 million in advance of the 2025-2029 Financial Plan. This increase of \$100 million can be accommodated through forecast savings and cash flow adjustments from existing water projects. The Household Impact (HHI) targets will not be impacted as a result of this budget increase due to project reallocation within the 5-year plan. The \$100 million additional budget is needed to accommodate an 11-month schedule extension to meet operational water redundancy and planning requirements (approximately 40%) and contractor pricing due to market conditions, escalation and material pricing increases that exceeded the owner engineer’s cost estimate (approximately 60%).

Cost Estimate Development

The Water Committee requested additional information regarding the request to increase the overall Stanley Park Water Supply Tunnel approved budget from \$395 million to \$495 million in advance of the 2025-2029 Financial Plan. The \$100 million increase can be broken down as follows:

- Approximately 40% of the requested increase is due to a change to the project sequencing to defer the Burrard and Chilco bypass works by one year due to operational constraints related to meeting Metro Vancouver’s peak water demands during summer periods. This change in schedule resulted in an increase in contractor costs, consulting engineering services and construction management services during construction to satisfy project schedule requirements. Construction is scheduled to start in late 2024 and is expected to be complete in 2029 versus the original 2028.

- Approximately 60% of the requested increase is due to the difference between the owner engineer's cost estimate and the recommended proponent's proposal price. Metro Vancouver's external engineering and construction management consultants both reviewed this difference and noted that the difference is likely caused by several factors, most notably market conditions and escalation. Other factors include increases in material costs, supply chain issues, and the complexities of working in Stanley Park.

This increase of \$100 million can be accommodated through forecast savings and cash flow adjustments from existing water projects. The Household Impact (HHI) targets will not be impacted as a result of this budget increase due to project reallocation within the 5-year Financial Plan.

Procurement Methodology

The Water Committee requested additional information regarding the approach for contract delivery, procurement, and proposal review and analysis. The delivery approach for the Stanley Park Water Supply Tunnel is Design-Bid-Build. Procurement was completed through a best value, two-stage (RFQ/RFP) public procurement process. Five proposals were received and evaluated in accordance with the requirements included in the RFP. Included in the total score were technical requirements (60 per cent) and financial requirements (40 per cent).

The proposals were evaluated by a team of evaluators comprised of Metro Vancouver staff, the construction management consultant (Delve Underground) and the engineer of record (Mott MacDonald). The evaluators compared the proposals against the RFP and the design requirements. A separate independent commercial analysis of Burrard Chilco Partnership's (BCP) proposal was also performed by both consultants and concluded that BCP demonstrated the most complete understanding of the constraints and construction requirements with an appropriate schedule.

The recommended proponent, BCP, is a partnership comprised of EBC Inc., Pomerleau Inc. and Spie Batignolles Canada Inc. BCP's proposal had the best technical score and the lowest price and demonstrated best value overall for Metro Vancouver. The results of the evaluations indicated that BCP demonstrated the most thorough understanding of the project scope, key issues, and project objectives.

EBC, the managing partner, has significant and relevant experience on several other projects with similar construction elements and conditions to the Stanley Park Water Supply Tunnel, Pomerleau has relevant experience with Metro Vancouver on the Annacis Outfall and the Clayton Reservoir projects, and Spie Batignolles has significant experience tunneling in similar ground conditions using the technology required for this project. In addition, the majority of the key staff are local to Vancouver and several have worked on past Metro Vancouver projects which provides advantages as well as schedule and cost efficiencies.

Project Management Methodology

The Water Committee also requested additional information regarding the project management methodology.

The project is led by Metro Vancouver who oversee the construction management consultant, the engineer of record, and the construction contractor. The construction management consultant's primary role is to manage and administer the construction contract including contractual and commercial requirements, while the engineer of record ensures that the construction is completed in accordance with their design requirements. This approach ensures contract adherence and diligent verification of design requirements.

In July 2023, the engineer of record prepared a detailed construction cost estimate prior to initiating construction procurement; this estimate was also reviewed by the construction management consultant. The construction budget was then established based on the construction cost estimate, owner's costs, and an allowance for contingency and risk reserve. The allowance for contingency and risk reserve was developed using a risk-based approach which accounts for potential changes and risks.

ATTACHMENTS

1. Report titled "Award of RFP 23-346 for the Stanley Park Water Supply Tunnel", dated June 25, 2024

69157955

To: Water Committee

From: George Kavouras, Director, Procurement, Procurement & Real Estate Services
Murray Gant, Director, Major Projects, Project Delivery

Date: June 25, 2024 Meeting Date: July 3, 2024

Subject: **Award of RFP 23-346 for the Stanley Park Water Supply Tunnel**

RECOMMENDATION

That the GVWD Board:

- a) approve the award of RFP 23-346 for the Stanley Park Water Supply Tunnel, in the amount of up to \$318,186,261 (exclusive of taxes) to Burrard-Chilco Partnership subject to final review by the Commissioner;
 - b) authorize an increase in the overall Stanley Park Water Supply Tunnel approved budget from \$395 million to \$495 million in advance of the 2025-2029 Financial Plan; and
 - c) authorize the General Manager, Procurement and Real Estate to execute the required documentation once the General Manager, Procurement and Real Estate is satisfied that the award should proceed.
-

EXECUTIVE SUMMARY

Burrard-Chilco Partnership's proposal ranked highest overall, provided the lowest cost, had the highest technical score, and demonstrated best value overall for Metro Vancouver.

To meet the growing demand for drinking water in the region and to improve the water transmission system's overall resiliency, Metro Vancouver is planning to construct a major water infrastructure project, called the Stanley Park Water Supply Tunnel.

RFP 23-346 for the construction of the Stanley Park Water Supply Tunnel was issued on November 15, 2023 to five short-listed proponents and the procurement was executed in accordance with the terms and conditions of Metro Vancouver's Procurement Policy. The evaluation team completed a comprehensive review of the proposals received, and on that basis recommend that the GVWD award RFP 23-346 to Burrard-Chilco Partnership.

PURPOSE

Pursuant to the *GVWD Officers and Delegation Bylaw 247 (Bylaw)* and *Board Policy No. FN-031*, procurement contracts which exceed a value of \$10 million require the approval of the GVWD Board.

BACKGROUND

To meet the growing demand for drinking water in the region and improve the water transmission system's overall resiliency, Metro Vancouver is planning to construct a major water infrastructure project, called the Stanley Park Water Supply Tunnel, below Stanley Park. The new water supply tunnel will replace the existing Capilano Main No. 4 that was constructed in the 1930s. The Capilano

Main No. 4 has experienced multiple leaks in recent years and is at the end of its service life. A construction contractor will deliver the construction of three shafts and a tunnel to house a 2.6 metre diameter water main, as well as valve chambers, flowmeter chambers and related works. Construction is scheduled to begin in late 2024 and expected to last five years.

PROCUREMENT SUMMARY

RFQ No. 22-032 was issued on August 3, 2023 to short-listed proponents to participate in RFP 23-346. Eight proponents responded to the RFQ, of which five were short-listed and invited to respond to RFP 23-346.

RFP 23-346 Submissions:

Proponents	Total Price (excluding taxes)
Burrard-Chilco Partnership	\$292,028,774
Kiewit Construction Services ULC	\$374,811,250
Southland Mole of Canada	\$385,038,680
AECON	\$407,554,460
Flatiron Constructors Canada Limited	\$425,113,413

Metro Vancouver received five proposals. All proposals submitted were in compliance with the submission requirements. The proposals were evaluated against technical requirements (60 per cent of the total score) and commercial requirements (40 per cent of the total score). The technical requirements were evaluated by Project Delivery Major Projects staff, and the commercial requirements were evaluated by Procurement staff.

After a comprehensive and detailed evaluation of the proposals, the evaluation team concluded that the proposal submitted by Burrard-Chilco Partnership (BCP) ranked highest overall. The proposal provided the lowest cost, had the highest technical score, and demonstrated best value overall for Metro Vancouver.

BCP's proposal demonstrated a thorough understanding of project conditions, constraints and methodologies. The proposal communicated a detailed and acceptable work plan regarding the tunneling, shaft and valve chamber construction, and public, environmental and archaeological impact mitigation. The proposal provided a thorough approach to address potential obstacles and key project risks. A skilled and experienced team was proposed.

Negotiations with BCP were completed on June 5, 2024 and the terms of the contract were agreed to and finalized, with final award subject to GVWD Board approval. The contract value agreed to is \$318,186,261. This is an increase of \$26,157,487 from the initial proposal price due to a change to the project schedule. Metro Vancouver requested a change to the project sequencing to defer the Burrard and Chilco bypass works by one year, to the 2025/2026 low flow season. This change was due to operational constraints and considerations related to meeting the Metro Vancouver's water supply service requirements.

ALTERNATIVES

1. That the GVWD Board:
 - a) approve award of RFP 23-346 for the Stanley Park Water Supply Tunnel, in the amount of up to \$318,186,261 (exclusive of taxes) to Burrard-Chilco Partnership, subject to final review by the Commissioner;
 - b) authorize an Increase in the overall Stanley Park Water Supply Tunnel approved budget from \$395 million to \$495 million in advance of the 2025-2029 Financial Plan; and
 - c) authorize the General Manager, Procurement and Real Estate to execute the required documentation once the General Manager, Procurement and Real Estate is satisfied that the award should proceed.

2. That the GVWD receive the report dated June 25, 2024 titled, "Award of RFP 23-346 for the Stanley Park Water Supply Tunnel" for information and direct staff to report back with options for an alternate course of action.

FINANCIAL IMPLICATIONS

If the GVWD Board approves Alternative 1, a contract will be awarded to the lowest compliant bid from Burrard-Chilco Partnership in the amount of up to \$318,186,261 (exclusive of taxes). This contract award, along with the contracts for Engineering Services and Construction Management Services for the Construction Phase, procurement of materials, maintaining sufficient project contingency, and prior actuals, would exceed the combined allocated budget of \$395 million for the Stanley Park Water Supply Tunnel Construction project by an amount of \$100 million.

This increase is due to RFP 23-346 financial submission exceeding the engineers estimate and was caused by several factors including current construction market conditions and escalation. A total updated budget of \$495 million is required to fund the Stanley Park Water Supply Engineering, Management, and Construction Services awards for the project to commence before the end of 2024, which is a proposed increase in the project budget of \$100 million. Approximately one-third of this increase falls within the current financial plan (2024-2028) time frame, and can be accommodated by forecasted savings and cash flow adjustments from existing water main projects. The remaining two-thirds is outside the current 2024-2028 financial plan and will be managed as part of future financial plans.

CONCLUSION

It is recommended that GVWD Board approve the award of RFP 23-346 for the Stanley Park Water Supply Tunnel, in the amount of up to \$318,186,261 (exclusive of taxes) to Burrard-Chilco Partnership, subject to final review by the Commissioner; and authorize the General Manager, Procurement and Real Estate to execute the required documentation once the General Manager, Procurement and Real Estate is satisfied that the award should proceed.

49308457

To: Water Committee

From: George Kavouras, Director, Procurement, Procurement & Real Estate Services
Murray Gant, Director Major Projects, Project Delivery

Date: June 20, 2024 Meeting Date: July 3, 2024

Subject: **Award of Phases 2 and 3 of RFP 20-097 for Construction Management Services for the Stanley Park Water Supply Tunnel**

RECOMMENDATION

That the GVWD Board:

- a) approve the award of Phases 2 and 3 of RFP 20-097 for Construction Management Services for the Stanley Park Water Supply Tunnel in the amount of up to \$13,942,932 (exclusive of taxes) to Delve Underground, subject to final review by the Commissioner; and
 - b) authorize the General Manager, Procurement and Real Estate to execute the required documentation once the General Manager, Procurement and Real Estate is satisfied that the award should proceed.
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EXECUTIVE SUMMARY

Delve Underground's proposal for Phase 2 – Construction Services and Phase 3 Post-Construction Services demonstrated best value overall for Metro Vancouver.

RFP 20-097 was issued on May 25, 2020, with three contract phases contemplated: Phase 1 – Pre-Construction Services, Phase 2 – Construction Services, and Phase 3 – Post-Construction Services. The procurement was executed in accordance with the terms and conditions of Metro Vancouver's Procurement Policy.

The RFP 20-097 evaluation team considered the proposals received, and in October, 2020 the GVWD Board approved the award of the first phase: Pre-Construction Services to Delve Underground.

Construction is scheduled to begin in late 2024, and on that basis as well as previously confirmed best overall value, the evaluation team recommends that the GVWD Board approve the award of Phase 2 – Construction Services and Phase 3 Post-Construction Services of RFP 20-097 to Delve Underground.

PURPOSE

Pursuant to the *GVWD Officers and Delegation Bylaw 247 (Bylaw)* and *Board Policy No. FN-031*, procurement contracts which exceed a value of \$10 million require the approval of the GVWD Board.

BACKGROUND

To meet the growing demand for drinking water in the region and improve the water transmission system's overall resiliency, Metro Vancouver is planning to construct a major water infrastructure project, called the Stanley Park Water Supply Tunnel, below Stanley Park. The new water supply tunnel will replace the existing Capilano Main No. 4 that was constructed in the 1930s. The Capilano Main No. 4 has experienced multiple leaks in recent years and is at the end of its service life. A construction contractor will deliver the construction of three shafts and a tunnel to house a 2.6 metre diameter water main, as well as valve chambers, flowmeter chambers and related works. Construction is scheduled to begin in late 2024 and expected to last five years.

A Construction Management Consultant will represent Metro Vancouver throughout project delivery, including management of the budget and schedule, and administration of the construction contract to support the project's success.

PROCUREMENT SUMMARY

RFP 20-097 was issued on May 25, 2020. Three contract phases were contemplated: Phase 1 – Pre-Construction Services, Phase 2 – Construction Services, and Phase 3 – Post-Construction Services.

Delve Underground's performance throughout Phase 1 – Pre-Construction Services was proficient and provided benefit to the Metro Vancouver. Construction is scheduled to begin in late 2024, and the project team recommends that the GVWD Board approve the award of Phase 2 – Construction Services and Phase 3 – Post –Construction Services of RFP 20-097 to Delve Underground.

Negotiations with Delve Underground were completed on June 1, 2024 and the terms of the contract were agreed to and finalized, with final award subject to GVWD Board approval. The contract value for Phases 2 and 3 is \$13,942,932 (exclusive of taxes). Through negotiations, Metro Vancouver staff performed a thorough review of Delve Underground's scope, rates, staff complement and resources required during construction, including contractual allowances for rate escalations. The scope and contract value is similar to construction management services being performed on other tunneling projects for Metro Vancouver and demonstrate good value.

ALTERNATIVES

1. That the GVWD Board:
 - a) approve award of Phases 2 and 3 of RFP 20-097 for Construction Management Services for the Stanley Park Water Supply Tunnel, in the amount of up to \$13,942,932 (exclusive of taxes) to Delve Underground, subject to final review by the Commissioner; and
 - b) authorize the General Manager, Procurement and Real Estate to execute the required documentation once the General Manager, Procurement and Real Estate is satisfied that the award should proceed.
2. That the GVWD receive the report dated June 20, 2024, titled, "Award of Phases 2 and 3 of RFP 20-097 for Construction Management Services for the Stanley Park Water Supply Tunnel" for information and direct staff to report back with options for an alternate course of action.

FINANCIAL IMPLICATIONS

This procurement was considered in the capital funding request for the Stanley Park Water Supply Tunnel Construction.

CONCLUSION

It is recommended that GVWD Board approve award of Phase 2 and Phase 3 of RFP 20-097 for Construction Management Services for the Stanley Park Water Supply Tunnel in the amount of up to \$13,942,932 (exclusive of taxes) to Delve Underground, subject to final review by the Commissioner; and authorize the General Manager, Procurement and Real Estate to execute the required documentation once the General Manager, Procurement and Real Estate is satisfied that the award should proceed.

50014145

To: Water Committee

From: George Kavouras, Director, Procurement, Procurement & Real Estate Services
Murray Gant, Director, Major Projects, Project Delivery

Date: June 20, 2024 Meeting Date: July 3, 2024

Subject: **Award of Phase C of RFP 18-023 for Consulting Engineering Services for the Stanley Park Water Supply Tunnel**

RECOMMENDATION

That the GVWD Board:

- a) approve the award of Phase C of RFP 18-023 for Consulting Engineering Services for the Stanley Park Water Supply Tunnel in the amount of up to \$24,129,946 (exclusive of taxes) to Mott MacDonald Canada Ltd., subject to final review by the Commissioner; and
 - b) authorize the General Manager, Procurement and Real Estate to execute the required documentation once the General Manager, Procurement and Real Estate is satisfied that the award should proceed.
-

EXECUTIVE SUMMARY

Mott MacDonald's proposal for Phase C – Construction Engineering Services demonstrated best overall value for Metro Vancouver.

RFP 18-023 was issued on January 16, 2018, with three contract phases contemplated: Phase A – Preliminary Design, Phase B – Detailed Design and Phase C – Construction Engineering Services. The RFP was issued to four proponents that were short-listed through an RFQ process, and the procurement was executed in accordance with the terms and condition of Metro Vancouver's Procurement Policy.

The RFP 18-023 evaluation team considered the proposals received, and in April 2018 the GVWD Board approved the award of Phase A – Preliminary Design to Mott MacDonald Canada Ltd. In September 2019, the GVWD Board approved the award of the subsequent Phase B – Detailed Design.

Construction is scheduled to begin in late 2024, and on that basis the project team recommends that the GVWD Board approve the award of Phase C – Construction Engineering Services to Mott MacDonald Canada Ltd.

PURPOSE

Pursuant to the *GVWD Officers and Delegation Bylaw 247 (Bylaw)* and *Board Policy No. FN-031*, procurement contracts which exceed a value of \$10 million require the approval of the GVWD Board.

BACKGROUND

To meet the growing demand for drinking water in the region and improve the water transmission system's overall resiliency, the Metro Vancouver is planning to construct a major water infrastructure project, called the Stanley Park Water Supply Tunnel, below Stanley Park. The new water supply tunnel will replace the existing Capilano Main No. 4 that was constructed in the 1930s. The Capilano Main No. 4 has experienced multiple leaks in recent years and is at the end of its service life. A construction contractor will deliver the construction of three shafts and a tunnel to house a 2.6 metre diameter water main, as well as valve chambers, flowmeter chambers and related works. Construction is scheduled to begin in late 2024 and expected to last five years.

The Consulting Engineering Services consultant will represent Metro Vancouver throughout project delivery and act as the Engineer of Record for the works, ensuring that construction is executed in accordance with their design.

PROCUREMENT SUMMARY

RFP 18-023 was issued on January 16, 2018 to four proponents short-listed through an RFQ process. Three contract phases were contemplated in the RFP: Phase A – Preliminary Design, Phase B – Detailed Design, and Phase C – Construction Engineering Services.

Mott MacDonald's performance throughout Phase A - Preliminary Design and Phase B - Detailed Design was proficient and provided benefit and value to Metro Vancouver. The project team recommends that the GVWD Board approve the award of Phase C: Construction Engineering Services of RFP 18-023 to Mott MacDonald.

Negotiations with Mott MacDonald were completed on May 28, 2024 and the terms of the contract were agreed to and finalized, with final award subject to GVWD Board approval. The contract value agreed to is \$24,129,946. Through negotiations, Metro Vancouver staff performed a thorough review of Mott MacDonald's scope, rates, staff complement and resources required during construction, including contractual allowances for rate escalations. The scope and contract value is similar to construction engineering services being performed for Metro Vancouver on other tunneling projects of similar complexity and demonstrate good value.

ALTERNATIVES

1. That the GVWD Board:
 - a) approve award of Phase C of RFP 18-023 for Consulting Engineering Services for the Stanley Park Water Supply Tunnel in the amount of up to \$24,129,946 (exclusive of taxes) to Mott MacDonald Canada Ltd., subject to final review by the Commissioner; and
 - b) authorize the General Manager, Procurement and Real Estate to execute the required documentation once the General Manager, Procurement and Real Estate is satisfied that the award should proceed.
2. That the GVWD receive the report dated June 20, 2024 titled, "Award of Phase C of RFP 18-023 for Consulting Engineering Services for the Stanley Park Water Supply Tunnel" for information and direct staff to report back with options for an alternate course of action.

FINANCIAL IMPLICATIONS

This procurement was considered in the capital funding request for the Stanley Park Water Supply Tunnel Construction.

CONCLUSION

It is recommended that the GVWD Board approve the award of Phase C of RFP 18-023 for Consulting Engineering Services for the Stanley Park Water Supply Tunnel in the amount of up to \$24,129,946 (exclusive of taxes) to Mott MacDonald Canada Ltd., subject to final review by the Commissioner; and authorize the General Manager, Procurement and Real Estate to execute the required documentation once the General Manager, Procurement and Real Estate is satisfied that the award should proceed.

49310849

To: Finance Committee

From: Harji Varn, General Manager, Financial Services, Chief Financial Officer,
George Kavouras, Director, Procurement, Procurement & Real Estate Services

Date: July 2, 2024 Meeting Date: July 10, 2024

Subject: **Award of RFP 24-188 for External Audit Services and Appointment of External Auditors**

RECOMMENDATION

That the MVRD/ GVS&DD/ GVWD/ MVHC Board:

- a) approve the award of RFP 24-188 for External Audit Services, in the amount of up to \$1,188,800 (exclusive of taxes) to KPMG LLP, for a term of five (5) years, subject to final review by the Commissioner;
 - b) appoint KPMG LLP, as external auditors for the fiscal years 2024 to 2028; and
 - c) authorize the General Manager, Procurement and Real Estate to execute the required documentation once the General Manager, Procurement and Real Estate is satisfied that the award should proceed.
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EXECUTIVE SUMMARY

KPMG LLP proposal ranked highest overall, provided the lowest cost, had the highest technical score, and demonstrated best value overall for Metro Vancouver. KPMG LLP has been and continues to specialize in public sector accounting and currently conducts the audits for twelve member jurisdictions in the Metro Vancouver region.

RFP 24-188 was issued on May 13, 2024. RFP 24-188 was advertised publicly, and the procurement was executed in accordance with the terms and condition of Metro Vancouver's Procurement Policy. RFP 24-188 evaluation team have considered the proposals received, and on that basis recommend that the MVRD, GVS&DD, GVWD, and MVHC to award RFP 24-188 to KPMG LLP and appoint KPMG LLP as the external auditor for the fiscal years 2024 to 2028.

PURPOSE

The Local Government Act and the Community Charter outline the requirements for financial management and accountability for regional districts in British Columbia, including the requirements for annual external audits of financial statements by Auditors appointed by the Boards of the respective entities.

BACKGROUND

The contract with our incumbent external auditor, BDO Canada LLP, expires on July 31, 2024 with the completion of the financial statement audit for the 2023 fiscal year. Subsequently, a public procurement process was initiated to secure a new contract for external audit services.

PROCUREMENT SUMMARY

Metro Vancouver received two (2) proposals in response to RFP 24-188. All proposals submitted by the Proponents were in compliance with the submission requirements. The compliant proposals were evaluated against Technical requirements (60%) and Commercial requirements (40%).

Technical requirements were evaluated by Financial Services and Commercial requirements were evaluated by Procurement and Real Estate Services.

RFP 24-188 Submissions:

Proponents	Total Price (excluding taxes)
KPMG LLP	\$1,188,800
BDO Canada LLP	\$1,733,100

After a comprehensive and detailed evaluation of the compliant proposals the evaluation team concluded that the proposal submitted by KPMG LLP ranked highest overall, provided the lowest cost, had the highest technical score and demonstrated best value overall for Metro Vancouver. Negotiations with KPMG LLP were completed on June 26th, 2024. The contract value agreed to is \$1,188,800.

ALTERNATIVES

1. That the MVRD/ GVS&DD/ GVWD/ MVHC Board:
 - a) approve the award of RFP 24-188 for External Audit Services, in the amount of up to \$1,188,800 (exclusive of taxes) to KPMG LLP, for a term of five (5) years, subject to final review by the Commissioner;
 - b) appoint KPMG LLP, as external auditors for the fiscal years 2024 to 2028.
 - c) authorize the General Manager, Procurement and Real Estate to execute the required documentation once the General Manager, Procurement and Real Estate is satisfied that the award should proceed.

2. That the MVRD/ GVS&DD/ GVWD/ MVHC Board receive the report dated July 2, 2024 titled, "Award RFP 24-188 for External Audit Services and Appointment of External Auditors" for information and direct staff to report back with options for an alternate course of action.

FINANCIAL IMPLICATIONS

Finance has reviewed and confirmed that funding is available within the annual operating budgets of each of the four legal entities.

CONCLUSION

It is recommended that MVRD, GVS&DD, GVWD, MVHC Boards approve the award of RFP 24-188 for External Audit Services, in the amount of up to \$1,188,800 (exclusive of taxes) to KPMG LLP, subject to final review by the Commissioner; and authorize the General Manager, Procurement and Real Estate Services to execute the required documentation once the General Manager, Procurement and Real Estate Services is satisfied that the award should proceed

It is also recommended that MVRD, GVS&DD, GVWD, MVHC Boards appoint KPMG LLP as external auditors for the fiscal years 2024 to 2028.

COMMITTEE INFORMATION ITEMS AND DELEGATION SUMMARIES

Greater Vancouver Water District

Board Meeting Date – Friday, July 26, 2024

This information item, listing recent information received by committee, is provided for the GVWD Board's information. Please access a complete PDF package [here](#).

Water Committee – July 3, 2024

Delegations:

No delegations presented

Information Items:

- E1 Draft Water 2025 – 2029 Capital Plan
- E2 GVWD Capital Program Expenditure Updates to December 31, 2023 and March 31, 2024
- E3 2023 GVWD Dam Safety Program Annual Update
- E4 Protection of Submerged Pipeline Crossings