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To: Utilities Committee

From: Tracey S. Husoy, Division Manager, Purchasing and Risk Management, Financial Services Department

Date: May 18, 2016 Meeting Date: June 9, 2016

Subject: **Award of Contract Resulting from RFP No. 15-175: Consulting Engineering Services for the Pump Station and Conveyance for Lions Gate Secondary WWTP Project**

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### RECOMMENDATION

That the GVS&DD Board authorize:

- a) Award of a contract in the amount of \$1,398,544 (exclusive of taxes) to AECOM Canada Ltd. for Phase A resulting from RFP No. 15-175 for the Consulting Engineering Services for the Pump Station and Conveyance for Lions Gate Secondary WWTP Project, subject to receipt of Approval in Principle on project funding from the Government of Canada; and
  - b) The Commissioner and the Corporate Officer to execute the contract.
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### PURPOSE

This report is to advise the Board of the results of RFP 15-175: Consulting Engineering Services for the Pump Station and Conveyance for Lions Gate Secondary WWTP Project, and to recommend award of the contract for Phase A, Conceptual and Preliminary Design in the amount of \$ 1,398,544 (exclusive of taxes) to AECOM Canada Ltd. Board approval to award subsequent phases of work will be sought at a later date.

### BACKGROUND

This report is being brought forward to the Utilities Committee to consider a recommendation to the GVS&DD Board to award a contract for consulting engineering work for the Pump Station and Conveyance, as part of the Lions Gate Secondary WWTP program. Pursuant to the *Officers and Delegation Bylaw No. 284* and the Procurement and Real Property Contracting Authority Policy, procurement contracts which exceed a value of \$5 million require the approval of the Board of Directors. Further, the policy states that contracting authority for multi-phase contracts is determined based on the anticipated total value of the services to be provided over all phases.

### PROJECT DESCRIPTION

As identified in Metro Vancouver's *Integrated Liquid Waste and Resource Management Plan* approved by the BC Ministry of Environment in May 2011, and consistent with the new federally mandated *Wastewater Systems Effluent Regulations*, the Lions Gate WWTP must be upgraded to secondary treatment no later than December 31, 2020.

As part of the new Lions Gate Secondary WWTP project work, a new influent conveyance system consisting of a pump station and forcemain will be required between the existing treatment plant located immediately to the west of Lions Gate Bridge and the proposed treatment plant located at W 1<sup>st</sup> Street and Philip Avenue in the District of North Vancouver. After treatment, the effluent will be conveyed by a new pipe between the proposed treatment plant and the existing outfall located near the existing Lions Gate WWTP site.

The scope of work for RFP 15-175 includes providing consulting engineering services for Phase A - Concept and Preliminary Design, Phase B - Detailed Design and Phase C – Construction Services.

As a result of a Request for Qualifications (RFQ 15-174) that was publicly advertised on Metro Vancouver’s and BC Bid web sites, three proponents were shortlisted to respond to the RFP. The RFP was issued on February 4, 2016 and closed on March 15, 2016. The following proposals were received (exclusive of taxes):

Company	Phase A: Concept and Preliminary Design	Phase B: Detailed Design	Phase C: Construction Services	Total Cost
AECOM Canada Ltd.	\$1,347,955	\$2,849,439	\$1,410,923	\$5,608,318
Associated Engineering (B.C.) Ltd.	\$1,312,568	\$2,864,892	\$1,498,201	\$5,675,661
Stantec	\$1,238,185	\$2,935,955	\$1,469,570	\$5,643,710

The technical component of the proposals was evaluated by staff from Liquid Waste Services. The financial component was evaluated by staff from the Purchasing Division. AECOM was identified as the highest ranked proponent both technically and commercially.

The RFP is structured such that the work will be awarded according to the project phases. Proponents were requested to base their fees (noted above) on an estimated number of hours to provide a common basis for the purpose of the commercial evaluation. The actual number of hours required for each subsequent phase of work (Phase B and C) will become better defined as Phase A nears completion.

It is intended that Phase A be awarded at this time and Phases B and C be awarded following negotiations towards the end of Phase A, subject to satisfactory performance, and after further authorization from the Board.

Following identification of the highest ranked proposal, negotiations ensued as allowed for in the RFP. The base proposal of \$1,347,955 was increased by \$50,589 to \$1,398,544 due to an increase of additional hours and scope related to the execution and management of the work and the geotechnical investigation requirements, which was deemed reasonable and appropriate by the Metro Vancouver’s negotiation team.

**ALTERNATIVES**

1. That the GVS&DD Board authorize:
  - a) Award of a contract in the amount of \$1,398,544 (exclusive of taxes) to AECOM Canada Ltd. for Phase A resulting from RFP No. 15-175 for the Consulting Engineering Services for the Pump Station and Conveyance for Lions Gate Secondary WWTP Project, subject to receipt of Approval in Principle on project funding from the Government of Canada; and
  - b) The Commissioner and the Corporate Officer to execute the contract.
  
2. That the GVS&DD Board terminate RFP 15-175: Consulting Engineering Services for the Pump Station and Conveyance for Lions Gate Secondary WWTP Project and direct staff to report back to the GVS&DD Board with options for an alternate course of action.

## **FINANCIAL IMPLICATIONS**

If the GVS&DD Board approves Alternative 1, a contract will be awarded to AECOM Canada Ltd. in the amount of \$1,398,544 (exclusive of taxes) to complete the conceptual and preliminary design work under Phase A. This amount is within the budget allocated for the project. The proposal is the highest ranked proposal. The RFP contemplates additional phases of the work and the overall estimated value of the contract is \$5,608,318 + \$50,589 (for additional scope related to the execution and management of the work) for a total of \$5,658,907. It is expected that subsequent phases of the work will be awarded to AECOM subject to satisfactory completion of Phase A at which time the total cost and details of the subsequent phases of the work will be finalized. Further phases will require Board approval pursuant to the provisions of the Procurement and Real Property Contracting Authority Policy.

Receipt of Approval in Principle for project funding is needed from the Government of Canada to ensure eligibility for reimbursement of project costs. Once Approval in Principle is received, one third of the cost of this contract will be covered by the \$212 million federal funding committed to the Lions Gate project announced in the March 22, 2016 Federal Budget.

The GVS&DD Board has the choice not to proceed with Alternative 1 but staff will need further direction in relation to the project. A delay associated with Alternative 2 will pose a risk that the Lions Gate Secondary WWTP will not be able to meet the regulatory deadline of December 31, 2020 for secondary-level treatment as defined in the *Integrated Liquid Waste and Resource Management Plan* and the federally mandated *Wastewater System Effluent Regulations*.

## **SUMMARY / CONCLUSION**

An RFP was issued for consulting engineering services for preliminary and detailed design and construction engineering services for the pump station and conveyance system as part of the Lions Gate Secondary WWTP Project. AECOM Canada Ltd. was identified as the highest ranked proponent and the cost is within the budget allocated for the project. Based on the evaluation of the proposals, it is recommended that the Board of Directors authorize the Commissioner and the Corporate Officer to award and execute a contract for RFP 15-175: Consulting Engineering Services for the Pump Station and Conveyance for Lions Gate Secondary WWTP Project, to AECOM Canada Ltd. for Phase A, in the amount of \$1,398,544 (exclusive of taxes), subject to receipt of Approval in Principle for project funding from the Government of Canada.

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