

To: Utilities Committee

From: Phil Trotsuk, Chief Financial Officer
Paul Dufault, Project Manager, Lions Gate Secondary Wastewater Treatment Plant,
Liquid Waste Services

Date: March 15, 2017 Meeting Date: April 6, 2017

Subject: **Award of Phase B – Design-Build Procurement Consulting Services for the Lions Gate Secondary Wastewater Treatment Plant Pump Station and Conveyance Project**

RECOMMENDATION

That the GVS&DD Board authorize:

- a) Award of Phase B, Design-Build Procurement Consulting Services in the amount up to \$2,000,000 (exclusive of taxes) to the Phase A consultant, AECOM Canada Ltd., for the Lions Gate Secondary Wastewater Treatment Plant Pump Station and Conveyance Project; and
 - b) The Commissioner and the Corporate Officer to execute the required documentation.
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PURPOSE

This report is to request authorization by the GVS&DD Board to award Phase B, Design-Build Procurement consulting services in the amount up to \$2,000,000 (exclusive of taxes) to the Phase A consultant, AECOM Canada Ltd. (“AECOM”) for the Lions Gate Secondary Wastewater Treatment Plant Pump Station and Conveyance Project (the “Project”).

BACKGROUND

Pursuant to the *Greater Vancouver Sewerage and Drainage District Officers and Delegation Bylaw No. 284, 2014* (Bylaw) and the *Procurement and Real Property Contracting Authority Policy* (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.

This report is being brought forward to the Utilities Committee to consider a recommendation to the GVS&DD Board to award Phase B, Design-Build Procurement Consulting Services to the Phase A contractor, AECOM, in order to continue with the work on the Pump Station and Conveyance as part of the Lions Gate Secondary Wastewater Plant (LGSWWTP) program.

PROJECT DESCRIPTION

In accordance with Metro Vancouver’s *Integrated Liquid Waste and Resource Management Plan* (ILWRMP) approved by the BC Minister of Environment in 2011, the Lions Gate Plant is required to be upgraded to secondary level treatment by December 31, 2020. The Board authorized funds in 2011 and subsequent budgets to proceed with the initial work.

As part of the LGSWWTP work, a new influent conveyance system will be installed between the existing treatment plant located immediately to the west of Lions Gate Bridge and the proposed treatment plant located at West 1st 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 outfall located near the existing Plant.

As a result of a Request for Qualifications (RFQ) No. 15-174 that was publicly advertised on Metro Vancouver's and BC Bid web sites, three experienced firms were invited to respond to a Request for Proposal (RFP) No. 15-175 for the LGSWWTP Pump Station and Conveyance Project. AECOM was identified as offering the highest-ranked proposal.

At the meeting on June 24, 2016, the GVS&DD Board was advised of the results of the RFP and authorized the award of a contract in the amount of \$1,398,544 (exclusive of taxes) for Phase A: Conceptual and Preliminary Design to AECOM. The report also indicated the proposed prices for Phase B and C and that subsequent Board approval to award them would be sought once the details are finalized.

During the course of the conceptual and preliminary design work under Phase A, it was concluded that a Design-Build (DB) procurement option for this project would provide the GVS&DD with greater cost and schedule certainty than that of the Design-Bid-Build (DBB) approach originally contemplated. In addition, the Project will be able to leverage the considerable knowledge and experience gained during the procurement process for the Lions Gate Secondary Wastewater Treatment Project. Following this decision, at the request of staff, AECOM provided an updated fee estimate based on the revised scope of work that includes the preparation of the design-build procurement documents, project agreement, project specifications and assisting the GVS&DD during procurement process up to the selection of the Preferred Proponent for the project. The anticipated costs of consulting services under the Design-Build option are as follows:

Project Phase	Original Design-Bid-Build Proposal	Revised Design-Build Procurement Proposal
Phase A - Conceptual and Preliminary Design	\$1,398,544	\$1,398,544
Phase B - Design-Build Procurement	\$2,849,439 (Detailed Design)	\$2,000,000
Phase C - Construction Services	\$1,410,923	\$1,410,923
Total	\$5,658,906	\$4,809,467

ALTERNATIVES

1. That the GVS&DD Board authorize:
 - a) Award of Phase B, Design-Build Procurement Consulting Services in the amount up to \$2,000,000 (exclusive of taxes) to the Phase A consultant, AECOM Canada Ltd., for the Lions Gate Secondary Wastewater Treatment Plant Pump Station and Conveyance Project; and
 - b) The Commissioner and the Corporate Officer to execute the required documentation.

2. That the GVS&DD Board terminate the contract with AECOM, resulting from Request for Proposal (RFP) No. 15-175: Consulting Engineering Services for the Pump Station and Conveyance for Lions Gate Secondary Wastewater Treatment Plant 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, in the amount up to \$2,000,000 (exclusive of taxes) will be added to the contract with AECOM. Subsequent phases of the work was contemplated in the RFP and the amount for this phase is approximately 30% less than in the original proposal. This amount has been included in the 2017 capital budget approved by the Board.

The Government of Canada and the GVS&DD have executed the New Building Canada Fund Agreement for the Project with the Project Approval Date of June 21, 2016. In the agreement, the Government of Canada agrees to pay a contribution to the GVS&DD of not more than 33.33% of the total Eligible Expenditures for the Project but only up to a maximum of \$212,300,000. The GVS&DD will submit progress claims to the Government of Canada covering the Project's Eligible Expenditures in a form acceptable to the Government of Canada. All phases of this contract are considered Eligible Expenditures.

On March 11, 2017, the Province of British Columbia announced a funding contribution to the GVS&DD of \$193,000,000 or up to 1/3 of the eligible expenses for the new wastewater treatment plant. The Province's contribution does not cover the expenses related to the pump station and conveyance project.

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 would pose a risk that GVS&DD would not be able to comply with the requirement for secondary-level treatment at the Lions Gate Wastewater Treatment Plant by December 31, 2020, as required by the new Federal Wastewater System Effluent Regulations and the new Operation Certificate for the LGSWWTP issued by the Provincial Ministry of Environment.

SUMMARY / CONCLUSION

An RFP was issued for consulting engineering services for the Lions Gate Secondary Wastewater Treatment Plant Pump Station and Conveyance Project and contemplated the work to be done in three phases. AECOM was the successful proponent and are nearing completion of Phase A, Project Definition and Indicative Design. It is recommended that the GVS&DD Board authorize the Commissioner and the Corporate Officer to execute the contract documents required to add Phase B, Design-Build Procurement Consulting Services in the amount up to \$2,000,000 (exclusive of taxes) to the contract with AECOM Canada Ltd. for Consulting Engineering Services for the Lions Gate Secondary Wastewater Treatment Plant Pump Station and Conveyance Project.