
To: Utilities Committee

From: Roy Moulder, Division Manager, Purchasing and Risk Management, Financial Services
Paul Dufault, Project Manager, North Shore Wastewater Treatment Plant, Liquid Waste Services

Date: May 24, 2018 Meeting Date: June 14, 2018

Subject: **Award of Phase C – Construction Administration Services: Design-Build Procurement Consulting Engineering Services for the North Shore Wastewater Treatment Conveyance Project**

RECOMMENDATION

That the GVS&DD Board authorize:

- a) award of Phase C: Construction Administration Services in the amount of up to \$1,500,000 (exclusive of taxes) to the consultant, AECOM Canada Ltd., for the North Shore Wastewater Treatment Conveyance Project once the project reaches financial close; and
- b) the Commissioner and the Corporate Officer to execute the required documentation.

PURPOSE

This report is to request authorization by the GVS&DD Board to award Phase C: Construction Administration Services in the amount of up to \$1,500,000 (exclusive of taxes) to the Phases A and B consultant, AECOM Canada Ltd. (“AECOM”) for the North Shore Wastewater Treatment Plant Conveyance Project (the “Project”).

BACKGROUND

Pursuant to the *GVS&DD 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 C, Construction Administration Services to the contractor, AECOM, in order to continue with the Conveyance work as part of the North Shore Wastewater Treatment Plant (NSWWTP, formerly Lions Gate Secondary Wastewater Treatment Plant) program.

PROJECT DESCRIPTION

On June 24, 2016, the GVS&DD Board authorized the Consulting Engineering Services for NSWWTP Conveyance project to AECOM. This work was awarded as a result of a Request for Proposal (RFP) No. 15-175: Consulting Engineering Services for the Pump Station and Conveyance for Lions Gate Secondary Wastewater Treatment Plant Project that was publicly advertised on Metro Vancouver’s and BC Bid websites.

On April 28, 2017, the GVS&DD Board authorized the award of a contract in the amount of up to \$2,000,000 (exclusive of taxes) for Phase B: Design-Build Procurement Consulting Services to AECOM.

Phase B work (Design-Build Procurement) will be completed when the project reaches financial close for the Design-Build (DB) contract of the NSWWTP Conveyance project. The next phase of work for the DB Contract, Construction Administration Services, will involve fully supporting the GVS&DD in the management, administration, and quality assurance and construction supervision of the Design-Build-Finance (DBF) contract until the Notice of Acceptance has been issued by the GVS&DD anticipated by July 2020.

The table shown below summarizes the awarded amounts for each phase.

Table: Contract Award Summary

Project Phase	Contract Amount (exclusive of taxes)
Phase A – Conceptual and Preliminary Design	\$ 1,398,544
Phase B – Design-Build Procurement	\$ 2,000,000
Phase C – Construction Services	\$ 1,500,000
Total	\$ 4,898,544

ALTERNATIVES

1. That the GVS&DD Board authorize:
 - a) award of Phase C: Construction Administration Services in the amount of up to \$1,500,000 (exclusive of taxes) to the consultant, AECOM Canada Ltd., for the North Shore Wastewater Treatment Plant 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 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, and the NSWWTP Conveyance project reaches financial close, a contract for Phase C in the value of \$1,500,000 (exclusive of taxes) will be awarded to AECOM.

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.

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 NSWWTP issued by the Provincial Ministry of Environment.

SUMMARY / CONCLUSION

A Request for Proposal No. 15-175 was issued for consulting engineering services for the North Shore Wastewater Treatment Plant (NSWWTP) Conveyance Project and contemplated the work to be done in three phases. AECOM Canada Ltd. was the successful proponent and are nearing completion of Phase B (Design-Build Procurement). It is recommended that the GVS&DD Board authorize the award of Phase C, Construction Administration Services in the amount of up to \$1,500,000 (exclusive of taxes) to the contract with AECOM Canada Ltd. for Consulting Engineering Services for the NSWWTP Conveyance Project and authorize the Commissioner and the Corporate Officer to execute the required documentation once the NSWWTP Conveyance Project reaches financial close.

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