To: Finance and Intergovernment Committee

From: Roy Moulder, Director, Purchasing and Risk Management, Financial Services
Paul Sawyer, Director, Major Projects – NSWWTP, Project Delivery

Date: March 25, 2021 Meeting Date: April 14, 2021

Subject: **Contract Amendment to AECOM Canada Ltd. for Owner's Engineer Advisory Services for North Shore Wastewater Treatment Plant**

RECOMMENDATION

That the GVS&DD Board authorize:

a) a contract amendment in the amount of $7,118,094 (exclusive of taxes) to AECOM Canada Ltd. for the provision of owner's engineering consulting services for the North Shore Wastewater Treatment Plant project, subject to final review by the Commissioner; and
b) the Commissioner and the Corporate Officer to execute the required documentation once the Commissioner is satisfied that the change order should proceed.

EXECUTIVE SUMMARY

The GVS&DD Board has authorized the award of owner's engineering consulting services for the North Shore Wastewater Treatment Plant project to AECOM Canada Ltd (AECOM) in May 2015 for an amount totaling $20,068,395 (including additional change orders). The project has been extended by 2.5 years and Staff recommend amending AECOM's contract in an amount of $7,118,094. Including future Phase 4 (for Handover and Warranty Period efforts as previously negotiated but not yet awarded) the contract total is anticipated to be $28,363,758 (exclusive of taxes). AECOM has proven they provide significant value to the project and are critical to Metro Vancouver's oversight team to ensure compliance with the project agreement and a treatment plant that meets the expectations of Metro Vancouver.

PURPOSE

This report is to request the GVS&DD Board to approve a contract amendment through change order, for the owner's engineering services with AECOM for the North Shore Wastewater Treatment Plant project in an amount of $7,118,094 (exclusive of taxes).

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 GVS&DD Board of Directors. For multi-phased consultancy contracts, 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 Finance and Intergovernment Committee to consider a recommendation to the GVS&DD Board to amend the contract for owner's engineering services with AECOM in order to continue with the consulting services through to the end of the North Shore Wastewater Treatment Plant project.

IMPACT OF CONTRACT AMENDMENT

The Greater Vancouver Sewage and Drainage District (GVS&DD) is undertaking a treatment upgrade program on the North Shore, as required by Metro Vancouver's Integrated Liquid Waste and Resource Management Plan (ILWRMP) and the new federal Wastewater Systems Effluent Regulations (WSER). Request for Proposal (RFP) No. 14-205, the Engineering Consulting (Owner's Engineer) services for the North Shore Wastewater Treatment Plant project, was awarded to AECOM in 2015, and its scope consisted of the following phases (with new Change Order):

Phase	Description of Services	Awarded Amount	Date Awarded
1	Pre-Procurement and Design-Build-Finance Procurement Documentation	$4,998,864	Jan-15
2	Design-Build-Finance Procurement	$2,385,374	Apr-16
3	Design-Build-Finance Contract Implementation	$9,084,157	May-17
	Change orders to date	$3,600,000	Feb-21
	Change Order to extend owners engineers services	$7,118,094	This Recommendation
5	Handover, Hold Back and Warranty Period	$1,177,269	Not Yet Awarded
	Contract Total:	$28,363,758	

The services awarded up to May 2017 were anticipated to be completed by December 2020 in line with the planned Waste Water Treatment Plant – Design Build Finance (WWTP DBF) contract completion. The Board has subsequently approved the extension of the WWTP DBF contract through to June 2023. In order to extend the duration and level of oversight for this project in line with the revised schedule for the WWTP DBF contract, an amendment to the owner's engineer contract is being sought.

Whereas AECOM's original proposal was based on the expectation that they would be providing consulting services for the project until Dec 31, 2020, the extended schedule to complete the WWTP project necessitates the extension of this phase of AECOM's services until the completion of the WWTP DBF contract. The level of effort required of the owner's engineer for Phase 3 of the project has been and will continue to be considerably higher than prescribed in the original RFP, as additional oversight is required for the project, including for AECOM to be more involved in design reviews, site inspection, QA/QC, and commercial reviews than originally envisioned.

AECOM has added significant value to the project as subject matter experts on the 5000+ page WWTP DBF Project Agreement contract and the long history of the project, identifying design and construction issues that would have gone unchecked otherwise. Their oversight will ensure that the project meets the expectations of Metro Vancouver for the delivery of this new wastewater treatment plant infrastructure.

AECOM has provided a proposal for the remainder of Phase 3, less the $3,600,000 in contract amendments made in November 2020, January and March, 2021, while this extended services amendment was being reviewed and negotiated. This change order is for AECOM to provide owner's engineering consulting services to complete Phase 3 of the work, in the amount of $7,118,094 (exclusive of taxes).

ALTERNATIVES

1. That the GVS&DD Board authorize:
   a) a contract amendment in the amount of $7,118,094 (exclusive of taxes) to AECOM Canada Ltd. for the provision of owner's engineering consulting services for the North Shore Wastewater Treatment Plant project, subject to final review by the Commissioner; and
   b) the Commissioner and the Corporate Officer to execute the required documentation once the Commissioner is satisfied that the change order should proceed.

2. That the GVS&DD Board receive for information the report dated March 25, 2021, titled "Approve a Contract Amendment to AECOM Canada Ltd. for Owner's Engineer Advisory Services for North Shore Wastewater Treatment Plant" and provide alternate direction to staff.

FINANCIAL IMPLICATIONS

Should the GVS&DD Board approve Alternative 1, these costs can be accommodated within the approved budget for the project as presented to the GVS&DD Board on February 26, 2021.

Should the GVS&DD Board choose Alternative 2, further analysis may be required to advise on project risk and financial impacts.

CONCLUSION

A multi-phase contract in the amount of $20,068,395 is currently in place with AECOM Canada Ltd for owner's engineering consulting services for the North Shore Wastewater Treatment Plant project, including $12,684,157 for Design Build Implementation Services (Phase 3). Due to extension of the WWTP project timeline and an increased level of oversight required for this project, additional fees are required to be added to Phase 3 of the owner's engineer consulting services contract.

It is recommended that the GVS&DD Board authorize the Commissioner and Corporate Officer to amend the contract with AECOM Canada Ltd. to extend owner's engineering consulting services through to the end of the project, in the amount of up to $7,118,094 (exclusive of taxes). This amendment will bring the awarded contract value to $27,186,489 (exclusive of taxes). The total anticipated value of the all four (4) phases is $28,363,758 (exclusive of taxes).

Attachments

1. MVRD Utilities Committee Minutes, dated, April 6, 2017, approving the recommendation to award Phase 3 of the Contract to AECOM *(Doc# 44638965)*
2. GVS&DD Board of Directors Meeting Minutes, dated, April 28, 2017, authorizing award of Phase 3 Contract to AECOM *(Doc# 44638847)*