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**REPORT TO MAGIC LAKE ESTATES WATER AND SEWER LOCAL SERVICES COMMITTEE
MEETING OF TUESDAY, AUGUST 12, 2014**

**SUBJECT **AWARD OF CONSULTING SERVICES, MAGIC LAKE ESTATES WATER
MAIN UPGRADES****

ISSUE

To award a consulting engineering services contract for engineering services related to contract administration, inspection services and engineer of record for water main construction.

BACKGROUND

At its meeting of November 19, 2013, the Magic Lake Estates Water and Sewer Local Services Committee (Committee) approved the transfer of funding from the sewer system to the water system with the intent of completing additional water system improvements consistent with the scope of the funding agreement with the Province of British Columbia. The funding was originally intended to conduct sewer system improvements directly related to the new water treatment plant, but the improvements were deemed unnecessary and further, the Capital Regional District (CRD) staff obtained approval from the Province for the change in scope to delete the sewer work. An amount of \$500,000 is budgeted separately from the other capital accounts and as of July 31, 2014, no expenditures have been made against the account. Of the \$500,000, it is proposed to allocate \$450,000 to construction and contingency and \$50,000 for engineering services.

As part of AECOM Canada Ltd.'s (AECOM) engineering scope, they were to prepare the designs for the first year water main replacement schedule as identified in the AECOM report of September 2011 (Table 5.1). Although the designs are for water mains of approximately 2 kilometers, it is expected that slightly in excess of 1 kilometer of water mains could be installed for the budget with the actual projects to be determined. AECOM has delivered the final designs and applied for regulatory permits and to date, the CRD has received the Construction Permit and are awaiting the issuance of the MOTI permit.

In order to complete the water main installations, services of a consulting engineering firm are required and a contractor to install the work. Regarding the first issue, the Committee directed the CRD staff to prepare a Request for Proposals for engineering services related to contract administration, engineer of record and inspection services. The CRD staff prepared and issued a RFP No. 2014-905 by invitation to three consulting firms all deemed capable of completing the assignment. By the closing date all of the firms, AECOM Canada Ltd., Delcan Corporation (a Parsons company) and Stantec Consulting Ltd., submitted proposals with fees, disbursements and taxes being \$44,507, \$49,051 and \$54,574 respectively.

The CRD staff conducted a review of each submission in accordance with the evaluation criteria and concluded that all three proposals were deemed compliant and the overall proposal from AECOM scored the highest (combined technical and financial). Of the three firms AECOM is most familiar with the project having been involved in the original study, design, contract administration and inspection since 2010. Further, AECOM is the engineer of record for the water main designs and they propose a new project manager for this assignment with the original field inspector for continuity.

Regarding the construction issue, it is proposed to negotiate a change in Rohl Enterprises Ltd. (Rohl) current contract to complete the work noting that they completed the initial water main work in 2012. Although the CRD obtained tendered unit prices for the original water main installation, it is expected that changes may result due to the fact that Rohl has demobilized their excavation equipment and costs may have changed (plus or minus) since 2012. Although Rohl has informally confirmed their interest in the water main work, the CRD has requested their formal commitment to move forward, otherwise an alternative contractor would have to be selected through a tendering process, adding time and potentially costs to the project.

ALTERNATIVES

1. That the Magic Lake Estates Water and Sewer Local Services Committee recommend that the Capital Regional District award a contract to AECOM Canada Ltd. (Contract No. 2010-421 in the amount of \$44,507 including GST, with funding provided from the \$500,000 budget item allocated in the Magic Lake Estates Water System Capital Upgrade Project.
2. That the Magic Lake Estates Water and Sewer Local Services Committee recommend that the Capital Regional District award a contract to another proponent.
3. That the Magic Lake Estates Water and Sewer Local Services Committee not award the contract.

FINANCIAL IMPLICATIONS

Alternative 1 – Award of the work to AECOM in the amount of \$44,507 including GST is within the approved budget for this project and the proposed amount from AECOM is reasonable.

Alternative 2 – Award of the contract to another proponent will increase the anticipated cost and complexity of the assignment related to multiple contract administrators and a change in the engineer of record.

Alternative 3 – Not awarding the contract would have financial implications, as the committee may not be able to utilize the provincial and federal government funding to upgrade the water mains.

SUMMARY/CONCLUSION

In order to obtain engineering services for the additional water main work, the CRD issued a Request for Proposals and after receiving and evaluating those from three firms, concluded that the best value is to procure the services from AECOM who are currently working on the capital

improvements at Magic Lake.

RECOMMENDATION

That the Magic Lake Estates Water and Sewer Local Services Committee recommend that the Capital Regional District award a contract to AECOM Canada Ltd. (Contract No. 2010-421 in the amount of \$44,507 including GST, with funding provided from the \$500,000 budget item allocated in the Magic Lake Estates Water System Capital Upgrade Project.

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