



## STAFF REPORT ACTION REQUIRED

### Request for Proposal 9117-07-7304 Professional Engineering Services for the Process Equipment Upgrade Project at the R. L. Clark Water Treatment Plant

<b>Date:</b>	March 13, 2008
<b>To:</b>	Public Works & Infrastructure Committee
<b>From:</b>	Executive Director, Technical Services Director, Purchasing and Materials Management Division
<b>Wards:</b>	Etobicoke - Lakeshore (Ward 6)
<b>Reference Number:</b>	P:\2008\Internal Services\pmmd\pw08003pmmd (AFS 6020)

#### SUMMARY

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The purpose of this report is to advise on the results of the Request for Proposal (RFP) 9117-07-7304 for the provision of professional engineering services for the Process Equipment Upgrade Project at the R. L. Clark Water Treatment Plant, and to request authority to enter into agreements with the recommended proponent.

#### RECOMMENDATIONS

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**The Executive Director of Technical Services and the Director of Purchasing and Materials Managements Division recommend that:**

1. Funds in the amount of \$4,687,089.00 net of GST be reallocated to CPW063-06 Process Equipment Upgrade Engineering from CPW060-02 Additional Pumping Equipment, as outlined below in the Financial Impact Statement. Funding is included in the approved 2008 Toronto Water Capital Budget. The additional cash flow and project cost is to be reallocated (net of GST) as follows: \$1,904,000.00 in 2009, \$1,391,000.00 in 2010 and \$1,392,089.00 in 2011.
2. Subject to approval of Recommendation No.1, authority be granted to enter into agreements in the amount of \$7,537,089.00 net of GST including provisional items, disbursements and contingencies to Associated Engineering (Ont.) Ltd. having submitted the highest scoring proposal meeting the requirements of the RFP, for the

provision of professional engineering services for the Process Equipment Upgrade Project at the R. L. Clark Water Treatment Plant as follows:

- a) For the pre-design and detailed design, an amount not to exceed \$3,709,014.00 net of GST including provisional items and disbursements. This amount includes a contingency allowance of \$350,000.00 net of GST, for additional services, if necessary and authorized by the Executive Director, Technical Services;
  - b) For services during construction including general office administration and site supervision services, an amount not to exceed \$3,476,824.00 net of GST including provisional items and disbursements for a construction period of up to 208 weeks. This amount includes a contingency allowance of \$325,000.00 net of GST, to cover resident staff services during construction beyond a period of 208 weeks, at a rate not to exceed \$7,500.00 net of GST per week including disbursements, if necessary and authorized by the Executive Director, Technical Services; and
  - c) For the post-construction services, an amount not to exceed \$351,251.00 net of GST including provisional items and disbursements. This includes a contingency allowance of \$30,000.00 net of GST, for additional services, if necessary and authorized by the Executive Director, Technical Services.
3. Subject to approval of Recommendation (1) and (2), the appropriate officials be authorized and directed to take necessary actions to give effect thereto.

## **FINANCIAL IMPACT**

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The total contract award identified in this report is \$7,913,943.45 including all applicable taxes and charges. The cost to the City net of GST is \$7,537,089.00. Funding is available in the approved 2008 Toronto Water Capital Budget, WBS Element CPW063-06 – Process Equipment Upgrade Engineering. However, at this time, the uncommitted cash flow is insufficient and additional cash flow authority is required to meet these commitments.

The funding approved for WBS Element CPW063-06 is \$2,850,000.00, net of GST and an additional \$4,687,089.00 is required in order to complete the engineering services for a total of \$7,537,089.00, net of GST. The cash flow requirements for this project are \$250,000.00 in 2008, \$2,404,000.00 in 2009, \$2,091,000.00 in 2010, \$2,092,089.00 in 2011, and \$700,000.00 in 2012, all net of GST.

The engineering estimate for this project is \$5,000,000.00 net of GST. The estimate, however, did not include the rehabilitation work identified in the R. L. Clark Condition Assessment Report. The Condition Assessment Report completed in the August 2007 established the infrastructure rehabilitation and upgrade requirements at the R. L. Clark Water Treatment Plant for 5-year (immediate), 10-year (intermediate) and 20-year (long

term) period. The 5-year rehabilitation work as identified in the Condition Assessment report has been included in this assignment as these items have been identified as posing risk within the next 5 years to the operation and reliability of the plant as a result of its condition and/or age.

The additional cash flow and project cost (all net of GST) is to be reallocated from CPW060-02 to CPW063-06 in the approved 2008 Toronto Water Capital Programme (with net impact of \$0) as follows:

<b>Account</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>Total</b>
Reallocate from: <b>CPW060-02</b> Additional Pumping Equipment	\$0	\$1,904,000.00	\$1,391,000.00	\$1,392,089.00	\$0	<b>\$4,687,089</b>
<b>CPW063-06</b> Process Equipment Upgrade Engineering	\$250,000.00	\$500,000.00	\$700,000.00	\$700,000.00	\$700,000.00	<b>\$2,850,000</b>
Total Annual Cash Flow / Project Cost for <b>CPW063-06</b>	\$250,000.00	\$2,404,000.00	\$2,091,000.00	\$2,092,089.00	\$700,000.00	<b>\$7,537,089.00</b>

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

## **BACKGROUND**

The R. L. Clark Water Treatment Plant is one of four of the City's drinking water treatment plants. The R. L. Clark Plant was constructed in 1962 and completed in 1968 and currently operates with a rated capacity of 615 Megalitres per day (ML/d). The overall plant treatment consists of the following processes: raw water intake from Lake Ontario, pre-chlorination, mixing and coagulation, flocculation, filtration, sedimentation, disinfection, fluoridation, ammoniation, powder activated carbon for taste and odour in the summer months, post chlorination, and pumping into the distribution system.

The existing plant treatment systems including the filter facility, sedimentation tanks, chemical facility, reservoir, high lift pumping station, low lift pumping station and associated ancillary plant facility and support systems are aged and nearing the end of their useful life cycle. To enable the plant to continue to operate efficiently and reliably, the existing process treatment systems and facilities are in need of rehabilitation or replacement.

The City of Toronto requires the provision of engineering services for the preliminary design, detailed design, construction contract administration and post construction services for the process equipment upgrades at the R. L. Clark Water Treatment Plant.

## **COMMENTS**

One hundred and twenty six (126) firms from the City's bidders list were notified and invited to submit proposals in response to our RFP 9117-07-7304, issued on October 5, 2007. The RFP was also advertised on the City's internet website. This resulted in a total of four (4) submissions being received on December 3, 2007 from the following firms:

1. Associated Engineering (Ont.) Ltd.
2. GENIVAR Ontario Inc.
3. Hatch Mott MacDonald
4. Stantec Consulting Ltd.

As required in the RFP Terms of Reference, these detailed written proposals included a separate sealed cost proposal envelope. The selection process stipulated that the envelope containing the cost proposals would not be opened until the evaluation of the technical proposals had been completed.

A formal consultant selection committee comprised of five members of Toronto Water and Technical Services staff evaluated the proposals using the criteria outlined in the Request for Proposals.

The technical submissions were evaluated first independently and then jointly by all members of the consultant selection committee in accordance with a set of pre-established criteria. A threshold proposal evaluation score of 75% or 56.3 points as stated in the RFP had to be met by each technical submission as a criterion for further consideration of submission for a review of the separate cost proposal. The technical proposals of GENIVAR Ontario Inc. and Associated Engineering (Ont.) Ltd exceeded this threshold and their separate cost proposal envelopes were opened and reviewed. The cost proposal was scored and added to the technical score.

On completion of the above process, the proposal from Associated Engineering (Ont.) Ltd. was ranked first with the highest overall point score. The consultant selection committee concluded that the proposal submitted by Associated Engineering (Ont.) Ltd. satisfied the overall project requirements and demonstrated an appropriate level of effort for the proposed work. In accordance with Council approved policy, proponents' scores, financial comparison and staff analysis of the evaluation results can be provided to Councillors in an in-camera presentation if requested by Committee members.

The Fair Wage Office has reported that the recommended firm has indicated that it reviewed and understands the Fair Wage Policy and Labour Trades requirements and has agreed to comply fully.

## **CONTACT**

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## **SIGNATURE**

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