



## STAFF REPORT ACTION REQUIRED

### Contract Award-Request for Proposals 9117-09-7169 Humber Treatment Plant, Wastewater Process Upgrades

<b>Date:</b>	February 5, 2010
<b>To:</b>	Public Works & Infrastructure Committee
<b>From:</b>	Executive Director, Technical Services Director, Purchasing and Materials Management Division
<b>Wards:</b>	Ward 5 – Etobicoke - Lakeshore
<b>Reference Number:</b>	P:/2010/Internal Services/pmmd/PW10011pmmd (AFS #10241)

#### SUMMARY

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The purpose of this report is to advise on the results of the Request for Proposals (RFP) 9117-09-7169 for the provision of engineering and program management services for the Humber Treatment Plant, wastewater process upgrades 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 Management recommend that:**

1. City Council grant authority to enter into agreements with Black & Veatch being the highest overall scoring proponent meeting the requirements of the RFP to provide contracted professional engineering and program management services for Humber Treatment Plant wastewater process upgrades in the amount of \$25,202,185.80 net of all taxes (\$25,645,744.27 net of GST and HST Recoveries), including disbursement, provisional allowances and contingencies as follows:
  - a. for the initial program planning, ongoing program and project management for a period of 10 (ten) years, in an amount not to exceed \$2,807,173.60 net of all taxes (\$2,856,579.86 net of GST and HST Recoveries) including labour, disbursements, provisional allowances and contingencies. This amount includes a contingency allowance of \$255,197.60 net of all taxes for additional services, if necessary and authorized by the Executive Director, Technical Services;

- b. for the preliminary design, and detail design, in an amount not to exceed \$7,288,600.00 net of all taxes (\$7,416,879.36 net of GST and HST Recoveries) including labour, disbursements, provisional allowances and contingencies. This amount includes a contingency allowance of \$662,600.00 net of all taxes for additional services, if necessary and authorized by the Executive Director, Technical Services;
- c. for services during construction including general office administration and site supervision services, in an amount not to exceed \$13,885,412.20 net of all taxes (\$14,129,795.45 net of GST and HST Recoveries) including provisional allowances and contingencies for a construction period of eight years. This amount includes a provisional allowance of \$1,016,802.00 net of all taxes for additional site inspection services during construction by core inspection team beyond 8 years of construction at a weekly rate not to exceed \$19,554.00 net of all taxes per week; an overall contingency allowance of \$1,262,310.20 net of all taxes for additional services, if found necessary and is authorized by the Executive Director, Technical Services; and
- d. for post-construction services, in an amount not to exceed \$1,221,000.00 net of all taxes (1,242,489.60 net of GST and HST Recoveries) including labour, disbursements , provisional allowances and contingencies. This amount includes a contingency allowance of \$110,000.00 net of all taxes for additional services, if necessary and authorized by the Executive Director, Technical Services.

## **FINANCIAL IMPACT**

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The total contract award identified in this report is \$25,202,185.80 net of all taxes. The cost to the City is \$25,645,744.27, net of GST and HST Recoveries. The funding for the contract award is included in the 2010 Toronto Water Capital Budget and 2011-2019 Capital Plan in WBS Element CWW052 Secondary Treatment Upgrades

The cash flow requirements for this project net of GST and HST Recoveries are as follows:

\$447,744.00 in 2010, \$1,398,150.04 in 2011, \$1,786,740.34 in 2012, \$2,217,601.03 in 2013, \$2,685,674.85 in 2014, \$3,446,503.84 in 2015, \$3,415,832.55 in 2016, \$3,415,832.54 in 2017, \$3,415,832.54 in 2018, \$3,415,832.54 in 2019.

The engineering estimate for this contract is \$30,000,000.00 net of all taxes

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

## ISSUE BACKGROUND

The Humber Wastewater Treatment Plant (“HTP”) is the City's second largest wastewater treatment plant. Located on 45.33 hectares (ha) in Toronto's west end - near the mouth of the Humber River - it has a design capacity of 473,000 cubic metres of wastewater per day. The plant serves an area of approximately 21,000 ha. It began operation in 1960 with a capacity of 227,000 cubic metres per day and over the years, has been enlarged to its present day capacity. It serves a population of approximately 750,000 (Etobicoke, York, portion of the west end of North York and Toronto) and operates on a 24/7 basis.

Due to the aging infrastructure, the existing primary and secondary treatment process areas need to be upgraded extensively in order to bring the facility in compliance with current codes, standards, and design guidelines. The scope generally includes upgrades/refurbishment to:

- High Pressure Blower Building
- South Aeration Gallery and Aeration Header
- North and South Secondary Tanks
- North and South Secondary Tank Galleries RPU's and RTUs
- North Primary Clarifiers
- Aeration Tanks
- Ferrous Chloride System
- Plant Water System
- Plant Wide Instrument Air

RFP 9117-09-7169 specifies the scope of engineering and program management services to assist in implementing extensive wastewater process upgrades at the Humber Treatment Plant. In the first stage of the project, the consultant will be responsible for completing project-specific conceptual/scope definition documents, developing the overall workplan for improvements in this area of the plant, including the scope, timeline and costs for each design and construction project. The overall workplan will recommend the appropriate ‘bundling’ of projects into logical design and/or construction packages to optimize the delivery of the entire program. The ‘bundling’ will be developed in recognition of the following considerations: work scope and physical locations, process limitations and equipment shut-down requirements while maintaining plant operability, constructability, and health & safety issues in recognition of Ministry of Labour requirements for maintaining Constructor responsibilities with the construction firm undertaking the work. Once the workplan is defined, each subsequent project will include, pre-design, detailed design, and contract administration services during construction for several concurrent and staged construction contracts over the next 10 year period having a combined estimated tender value of approximately \$200,000,000.00.

## COMMENTS

RFP 9117-09-7169 was issued by Purchasing and Materials Management Division (PMMD) on July 14, 2009 and was available for download in PDF on the City's internet website. The RFP included the selection criteria to be used for evaluation. This resulted in a total of seven (7) submissions being received on September 30, 2009 from the following firms:

1. AECOM Canada Ltd.
2. Associated Engineering Ltd.
3. Black & Veatch
4. CH2M Hill Canada Limited
5. Genivar Consultants LP
6. GHD Inc.
7. Stantec Inc.

In compliance with the RFP Terms of Reference, each submission included a detailed technical proposal and a separate sealed envelope with a cost proposal. The selection process stipulated that envelopes containing the cost proposals would not be opened until the evaluation of the technical proposals had been completed.

A formal selection committee, comprised of six (6) members of Technical Services and Toronto Water staff, evaluated the technical proposals in compliance with the criteria set out in the Request for Proposal.

The technical submissions were evaluated first independently and then jointly by all members of the selection committee in accordance with a set of pre-established criteria. In compliance with the RFP, a threshold score of 75% or 56.3 points had to be met by each technical proposal as a minimum requirement for further consideration and a review of the separate cost proposal. The proposals from Associated Engineering Ltd., GHD Inc. and Stantec Inc. did not meet the minimum technical score and as such, their cost proposals were not opened. The technical proposals from AECOM Canada Ltd., Black & Veatch, CH2M Hill Canada Limited and Genivar Consultants LP exceeded the minimum technical threshold score and their separate cost proposals were opened and reviewed. The cost proposals were evaluated in compliance with the RFP, and the scores for the cost proposals were added to the technical scores. The overall scores for the four proponents ranged from 76.13 to 83.80.

On completion of the above process, the proposal from Black & Veatch was ranked first with the highest overall point score and the lowest cost of services. The selection committee concluded that the proposal submitted by Black & Veatch satisfies the overall project requirements and demonstrates an appropriate level of effort for the proposed work.

Proponent's scores and staff analysis of the evaluation results can be provided to Councillors in an in-camera presentation if requested by members of Council.

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.

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