



## STAFF REPORT ACTION REQUIRED

### Contract Award - Request for Proposals No. 9155-13-7232 Professional Engineering Services for Local and Trunk Sewer Asset Condition Assessment

<b>Date:</b>	February 18, 2014
<b>To:</b>	Public Works & Infrastructure Committee
<b>From:</b>	Executive Director, Engineering & Construction Services Director, Purchasing & Materials Management Division
<b>Wards:</b>	Various wards
<b>Reference Number:</b>	P:\2014\Cluster B\TEC\PW14018 (AFS#18208)

### SUMMARY

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The purpose of this report is to advise of the results of the Request for Proposals No. 9155-13-7232 for the provision of Professional Engineering Services for Local and Trunk Sewer Asset Condition Assessment and request the authority to enter into an agreement with the recommended proponent.

The contract award is within the delegated authority of the Public Works & Infrastructure Committee.

### RECOMMENDATIONS

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The Executive Director, Engineering and Construction Services, and Director, Purchasing and Materials Management recommend that:

1. The Public Works and Infrastructure Committee, in accordance with Section 195-14C of Toronto Municipal Code Chapter 195 (Purchasing By-Law), grant authority to enter into an agreement with M. E. Andrews and Associates Ltd., being the highest scoring proponent and meeting the requirements of Request for Proposals No. 9155-13-7232 for Local and Trunk Sewer Asset Condition Assessment to M. E. Andrews and Associates Ltd., in the amount of \$25,617,014.75 net of HST (\$26,067,874.21 net of HST recoveries) from the date of award for a two year period, with an option to renew for an additional three

separate one year periods at the sole discretion of the Executive Director, Engineering and Construction Services, based on the terms and conditions set up in the RFP for a total potential cost of \$66,394,524.66 net of HST (\$67,563,068.29 net of HST recoveries).

## **FINANCIAL IMPACT**

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The total potential contract award identified in this report including all option years for the award of RFP No. 9155-13-7232, Local and Trunk Sewer Asset Condition Assessment is \$75,025,812.87 including HST and all applicable charges. The total potential cost to the City, net of HST recoveries, is \$67,563,068.29. The engineering estimate for this project was \$60,000,000.00, excluding HST and all applicable charges.

Funding for this contract award is included in Toronto Water's 2014 Approved Capital Budget and 2015-2023 Capital Plan for the Local and Trunk Sewer Asset Condition Assessment Project as shown in the table below.

Should the City choose to exercise its option to renew for an additional three separate one year periods, then the appropriate additional funding will be requested through Toronto Water's 2015 Capital Budget and 2016-2024 Capital Plan Submission, under the same project:

	Acct #	2014	2015	2016	2017
Base contract award (2 years) \$26,067,874.21 net of HST recoveries	CWW452-05	3,750,000.00	7,300,000.00	11,667,874.21	3,350,000.00

	Acct #	2016	2017	2018	2019	2020
Option years 1, 2, 3 \$41,495,194.08 net of HST recoveries	CWW452-05	3,500,000.00	9,500,000.00	12,000,000.00	11,000,000.00	5,495,194.08

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

## **ISSUE BACKGROUND**

Professional Engineering Services are required for the CCTV camera inspection of Toronto Water's infrastructure to establish recommendations for the development of

Toronto Water's sewer infrastructure renewal capital works program. The scope of work under this RFP for the first two years includes:

- a) Consultant will be responsible for providing project management and sewer inspection services for an estimated 1000 km of local sewers, 80 km of trunk sewers, and up to 18000 maintenance holes.
- b) The coordinating, managing, reviewing, flushing, inspecting, and all other work associated with the inspection and evaluation of maintenance holes and sewers.
- c) Interpretation and recommendation of inspection data, including loading data into databases and digitization of uncharted assets for sewer pipes.
- d) Interpretation and recommendation of inspection data, including loading data into databases and digitization of uncharted assets for maintenance holes.
- e) Provision of condition assessment, renewal recommendations and cost estimates in accordance with all requirements for deliverables outlined in this RFP for the City's existing 300 km sewer pipe inspection videos.

Subject to satisfactory performance in the execution of this work and budget availability, the services noted above will continue on an annual basis for up to a maximum of three additional one-year terms.

## **COMMENTS**

A Request for Proposals (RFP) 9155-13-7232 was prepared by Engineering & Construction Services with Toronto Water, in conjunction with the Purchasing & Materials Management Division to provide professional engineering services noted above. The RFP was issued by the Purchasing & Materials Management Division (PMMD) on September 6, 2013 and was available for download in PDF format on the City's Internet website. The RFP included the selection criteria to be used for evaluation. A mandatory information meeting was held on September 12, 2013 at which 12 firms attended. This resulted in a total of two submissions being received on October 28, 2013 from the following firms:

1. M. E. Andrews and Associates Ltd
2. CH2M HILL Canada Limited

The RFP was structured as a "two-envelope" model each submission included a detailed Technical Proposal (Envelope 1) and a separate sealed envelope with a Cost of Services proposal (Envelope 2). The selection process stipulated that envelopes containing the cost proposals would not be opened until the evaluation of the Technical Proposals had been completed.

All proponents complied with the mandatory submission requirements, and their Technical Proposals were evaluated. A formal selection committee comprised of six members from Engineering & Construction Services and Toronto Water evaluated each of the Technical Proposals. The proponents' Technical submissions were first evaluated and scored independently, in accordance with the pre-established criteria. The scores were then jointly reviewed and agreed upon by all members of the selection committee.

A maximum of 80 points were allocated for the Technical Proposals and 20 points for the Cost of Services. Each Technical Proposal had to score a minimum of 60 points (75%) to have the Cost of Services envelope opened and evaluated. CH2M Hill Canada Limited did not meet the minimum technical score and, consequently, did not have their Cost of Services envelope opened.

On completion of the above process, the proposal from M.E. Andrews & Associates was ranked first with the only passing score. The selection committee has concluded that the proposal submitted by M.E. Andrews & Associates met the requirements of the RFP and demonstrated an appropriate level of effort for the proposed project.

Engineering & Construction Services staff have compared the bid for the first two year period to the estimated cost and found the price by the recommended proponent of \$25,617,014.75 net of taxes to be within the estimating accuracy of the engineering estimate of \$24 million net of taxes.

Should any of the optional renewal years be exercised by the City, all terms and conditions of the Agreement shall remain in effect and continue during the option year(s), subject to a price adjustment in accordance with the annual Consumer Price Index (CPI) – All items – Toronto, for a 12 month period ending three months prior to the start of each option year. The total potential contract amounts reflect an estimated 3% increase in the CPI for each Option Year.

The 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 proponent has indicated it has reviewed and understands the Fair Wage Policy and Labour Trades requirements and has agreed to comply fully.

## **CONTACTS**

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## **SIGNATURES**

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Michael D'Andrea, M.E.Sc., P.Eng.  
Executive Director  
Engineering & Construction Services

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Michael Pacholok  
Director  
Purchasing & Materials Management