



REPORT FOR ACTION

Contract Award for Request for Proposal No. 9155-18-7147, Professional Services for Local and Trunk Sewer Asset Condition Assessment

Date: March 14, 2019

To: Infrastructure and Environment Committee

From: General Manager, Toronto Water

Chief Purchasing Officer, Purchasing and Materials Management Division

Wards: All

SUMMARY

The purpose of this report is to advise of the results of Request for Proposal (RFP) No. 9155-18-7147 issued for Professional Services for Local and Trunk Sewer Asset Condition Assessment, and to request the authority to enter into an agreement with M.E. Andrews & Associates Ltd., for a two (2)-year period in the amount of \$23,985,703.00 net of all applicable taxes and charges, with the option to renew for an additional three (3) one (1)-year periods, for a total potential cost of \$62,166,468.84 net of all applicable taxes and charges.

RECOMMENDATIONS

The General Manager, Toronto Water and Chief Purchasing Officer recommend that:

1. The Infrastructure and Environment Committee, in accordance with Section 195-8.4A of Toronto Municipal Code Chapter 195 (Purchasing By-Law), grant authority to the General Manager, Toronto Water to negotiate and enter into an agreement with M.E. Andrews & Associates Ltd., being highest overall scoring proponent meeting the requirements of RFP No. 9155-18-7147, for Professional Services for Local and Trunk Sewer Asset Condition Assessment in the amount of \$23,985,703 net of all applicable taxes and charges (\$24,407,851.37 net of HST recoveries) from the date of award for a two (2)-year period, with the option to renew, at the discretion of the General Manager, for an additional three (3) one (1)-year periods for a total potential cost of \$62,166,468.84 net of all taxes and charges (\$63,260,598.69 net of HST recoveries).

All in accordance with the terms and conditions as set out in the Request for Proposal (RFP) and any other terms and conditions satisfactory to the General Manager, Toronto Water, and in a form satisfactory to the City Solicitor.

FINANCIAL IMPACT

The total amount to award RFP No. 9155-18-7147, for Professional Services for Local and Trunk Sewer Asset Condition Assessment identified in this report is \$62,166,468.84 net of all applicable taxes and charges, \$63,260,598.69 net of HST recoveries.

Funding is included in the Toronto Water 2019 Approved Capital Budget and 2020-2028 Approved Capital Plan under account CWW452-05 (Sewer System Inspection), with forecasted expenditures as shown in the table below (net of HST recoveries):

Table 1: Forecasted expenditures of RFP No. 9155-18-7174

Year	Base Award (2 Years)	Option Years 1,2 and 3	Forecasted Expenditures
2019	\$ 5,500,000.00		\$ 5,500,000.00
2020	\$ 12,505,888.53		\$ 12,505,888.53
2021	\$ 6,401,962.84	\$ 6,285,021.73	\$ 12,686,984.57
2022		\$ 12,758,594.11	\$ 12,758,594.11
2023		\$ 13,141,351.93	\$ 13,141,351.93
2024		\$ 6,667,779.55	\$ 6,667,779.55
Total	\$ 24,407,851.37	\$ 38,852,747.32	\$ 63,260,598.69

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

DECISION HISTORY

At its meeting on April 1, 2 and 3, 2014 City Council authorized the Executive Director, Engineering and Construction Services 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). The Council decision can be found at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2014.PW29.4>

The agreement that resulted from this RFP is now in its final option year and there is a continued need to provide sewer asset condition assessment services.

COMMENTS

Background

Toronto Water's inventory of assets includes 3,730 km of sanitary sewers, 1,411 km of combined sewers and 4981 km of storm sewers. In addition, there are 57,772 sanitary maintenance holes, 24,748 combined maintenance holes and 76,331 storm water maintenance holes. Toronto Water's 2019 Approved Capital Budget and 2020-2028 Approved Capital Plan has a total of \$247,893,000 assigned to the Sewer Asset Planning Project which includes sewer condition assessment.

Although much work has been done over the past 5 years, professional engineering services continue to be 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 new RFP for the first two years includes:

- a) Providing project management and sewer inspection services for an estimated 1,450 km of local sewers, 80 km of trunk sewers, and up to 26,000 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 outlines in this RFP for the City's existing 200 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

Award of RFP No. 9155-18-7174

A Request for Proposals (RFP) 9155-18-7174 was prepared by 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 October 10, 2018.

The RFP was advertised on the City's internet website and although ten (10) firms purchased the RFP documents, only one (1) proposal was received on the closing date of November 23, 2018, from the following firm:

1. M. E. Andrews and Associates Ltd

Of the nine (9) other firms that purchased the RFP documents, four (4) firms responded to the City's request for information on why they did not submit a proposal. Two (2) of the four firms partnered with M. E. Andrews and Associates Ltd and were included as subcontractors in their proposal. An engineering consulting firm stated that the work was more suited to a contractor and therefore did not submit a proposal. Another contracting firm stated that they could not handle the work due to present commitments.

The RFP was structured as a "two-envelope" model and the 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.

The proponent complied with the mandatory submission requirements, and their Technical Proposal was evaluated. A formal selection committee comprised of five members from Toronto Water evaluated the Technical Proposal. The proponents' Technical submission was 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 Proposal and 20 points for the Cost of Services. The Technical Proposal had to score a minimum of 60 points (75%) to have the Cost of Services envelope opened and evaluated.

Toronto Water staff have compared the bid for the first two year period to the estimated cost and found the price by the recommended proponent of \$23,985,703 net of taxes to be more than 10% lower than the engineering estimate of \$26.8 million net of taxes. Although the scope of work under the new RFP included an additional 450 km of sewer inspection services and an additional 8,000 maintenance hole inspections over the scope of work under the previous RFP, the cost of work under the new RFP is more

than 6% lower than the cost of work \$25,617,014.75 net of taxes under the previous RFP.

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.

On completion of the above process, the selection committee concluded that the proposal submitted by M.E. Andrews & Associates Ltd. met the requirements of the RFP and demonstrated an appropriate level of effort for the proposed project. 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 bidder has indicated it has reviewed and understands the Fair Wage Policy and Labour Trades requirements and has agreed to comply fully with both.

Social Procurement

This contract was selected by Toronto Water, in consultation with the Purchasing and Materials Management Division and the Social Procurement working group, as a candidate for the further development of the Council-directed Social Procurement Policy. The RFP included an opportunity for the proponents to submit a proposal related to supplier diversity and workforce development.

M.E. Andrews & Associated Ltd. commits to provide business opportunities to diverse suppliers and social enterprises and have designated a community liaison officer. The community liaison officer will work proactively to anticipate and mitigate public impacts and to recognize and create workforce development opportunities as well as to engage in social procurement activities.

M.E. Andrews & Associated Ltd. commits to meet semi-annually with the designated City's representative to discuss the implementation, progress and continuous improvement of the M.E. Andrews & Associated Ltd. workforce development plan. M.E. Andrews & Associated Ltd. will also participate in job fairs and employment seminars at local Universities and identified two (2) job opportunities per 4 month term for engineering co-op students and/or interns.

CONTACT

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SIGNATURE

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General Manager, Toronto Water

Michael Pacholok, JD,
Chief Purchasing Officer