



DATE: June 23, 2011

MEMO TO: ARROWSMITH WATER SERVICE MANAGEMENT BOARD

FROM: ARROWSMITH WATER SERVICE MANAGEMENT COMMITTEE

SUBJECT: CAPITAL WORKS IMPLEMENTATION PLAN AND CONSULTANT SELECTION APPROACH FOR PHASES 2 AND 3

PURPOSE:

To review the preliminary Implementation Plan Schedule leading to a referendum in 2014 for financing construction of the project, and to consider engaging consultants for the next two phases of the AWS Capital Plan.

EXECUTIVE SUMMARY:

Phase 1 of the AWS Capital Plan is now complete. This phase involved retaining Associated Engineering to prepare the report, “Englishman River Water Intake, Treatment Facilities and Supply Mains - Conceptual Planning, Budgeting and Scheduling.” This report was approved by the AWS Management Board at the April 26, 2011 meeting.

Phase 2 includes the Aquifer Storage and Recovery (ASR) investigation and treatment pilot testing. Phase 3 includes preliminary engineering of the Englishmen River water intake, water treatment facility, transmission mains, and related facilities.

Based on the conceptual schedule outlined in the Capital Plan report, Staff have prepared the attached Implementation Plan Schedule that identifies numerous tasks required over the next several years to advance the intake, treatment plant, and ASR facilities from concept, through detailed engineering and design such that construction can begin by 2015. A public referendum would be required in 2014 to help determine financing options for construction of the project.

Phase 2 must begin as soon as possible to meet the construction milestone. Associated Engineering is best suited to continue on with the ASR investigation and treatment pilot testing (Phase 2), as these tasks were envisioned when this firm was originally selected utilizing a qualifications-based selection process.

AWS proposes to utilize a qualifications-based selection process to solicit Statements of Qualifications, leading to short-listing firms for proposals and/or interviews, in order to competitively select a consultant for Phase 3.

REFERENCE:

- AWS Management Board Meeting Minutes held on April 26, 2011
- Preliminary AWS Implementation Plan Schedule – dated June 2011

BACKGROUND:

On April 26, 2011, the AWS Management Board approved the report entitled, “Englishman River Water Intake, Treatment Facilities and Supply Mains - Conceptual Planning, Budgeting and Scheduling,” prepared by Associated Engineering, dated April 2011. The AWS Management Board also authorized proceeding with the recommendations in the report to implement the project. These directives concluded Phase 1 of the AWS Expansion Program.

Staff developed the attached Implementation Plan Schedule which identifies six more phases to complete the AWS Expansion Program. Phases 2 and 3 could be undertaken concurrently and substantial time savings are envisioned if these two phases can proceed without delay. The following outline summarizes Phases 2 through 7.

Phase 2 - Further investigations, field testing, and analysis are required as soon as possible to definitively include, or exclude, the ASR component of the AWS Program. Inclusion of the ASR system has major advantages relative to minimizing the size of the water treatment plant. In addition, Phase 2 includes bench-scale and pilot-scale process testing to identify the optimum water filtration and treatment technologies for the plant. These critical decision points should be resolved prior to commencement of detailed engineering design (Phase 4). Phase 2 can be performed concurrently with Phase 3.

Phase 3 - Preliminary engineering services are required to advance the overall project to approximately a 30% level of design. These services would include: surveying, geotechnical investigation, drainage study, raw and treated water pipeline alignment alternatives, treatment plant layout, site development, intake facility preliminary design, updated cost estimates, preliminary plant building design, and construction contracting strategy. These services would be subject to a formal Value Engineering review.

Phase 4 – Following completion of both Phases 2 and 3, Phase 4 includes detailed design of all project components, including preparation of construction contract documents, construction plans, specifications, cost estimates, and finalizing the acquisition of easements and regulatory permits. The financing referendum would occur during Phase 4.

Phase 5 – Advertising, tendering of bids, evaluating bid proposals, and awarding of construction contract(s).

Phase 6 - Construction of the water treatment plant, intake, ASR (if proven to be viable), transmission pipelines, and related infrastructure. It is unknown at this time if multiple construction contracts would be beneficial over one consolidated contract; however, it is clear that AWS will need to retain the services of a professional construction management and inspection firm at that time.

Phase 7 – Commissioning and start up of the water treatment plant and related facilities. Following Phase 7, the new infrastructure would continue with ongoing operations and maintenance of these facilities.

For works of this magnitude, retaining qualified engineering consultants is required. It has been previously agreed that the process of engaging engineering consultants will be managed by the City of Parksville in accordance with the City’s Purchasing Policy. Such policy is consistent with the generally-accepted municipal government financing models.

For Phase 1, a selection committee was formed and utilized a qualification-based selection process adopted from the Consulting Engineers of British Columbia. Following release of a Request for Proposals, consultants were invited to submit technical proposals, and the most qualified firms were short-listed for presentation and interview. Selection criteria was based on technical competence, experience with similar projects, past performance, and approach to the project. Associated Engineering was determined by committee to be best qualified. Initially, terms of reference, schedule and fees were developed which included many of the tasks required for Phase 2. At that time, it was decided, for financial reasons, to exclude the Phase 2 services and the contract with Associated Engineering was limited to Phase 1 (Capital Plan Study).

OPTIONS:

1. Authorize staff to enter into exclusive negotiations with Associated Engineering for Phase 2 services and commence a new competitive, qualifications-based selection approach for Phase 3 services.
2. Undertake new competitive selection processes for both Phase 2 and 3 services.
3. Provide alternative direction to staff.

DISCUSSION:

Option 1 - Proceeding expediently with the next phases of the Capital Plan is required in order to meet the 2015 construction start milestone. The AWS has already gone through a qualification-based competitive selection process which led to the now completed Phase 1 services by Associated Engineering. Based on the urgency of commencing Phase 2, and because Phase 2 services were included when Associated Engineering was initially selected, and also based on Associated Engineering's satisfactory performance on Phase 1, the AWS Management Committee is recommending that the AWS Management Board authorize exclusive negotiations with Associated Engineering for Phase 2. Because the scope of services for Phase 3 is significantly different than Phases 1 and 2, the AWS Management Committee is recommending that the AWS Management Board authorize staff to undertake a new qualifications-based selection process, in conformance with the City of Parksville’s Purchasing Policy, leading up to a professional services contract for Phase 3 services.

Option 2 would delay Phase 2. Since Phase 2 is on the critical path, delaying Phase 2 may result in delaying construction and commissioning of the project. There is no risk in proceeding with the consultant selection process for Phase 3 services.

INTERGOVERNMENTAL IMPLICATIONS:

At the June 14, 2011 meeting, the AWS Management Committee agreed unanimously to engage the Associated Engineering consulting team to complete Phase 2 and to commence the qualifications-based selection process leading to retaining a consultant for preliminary design, Phase 3, of the project.

FINANCIAL IMPLICATIONS:

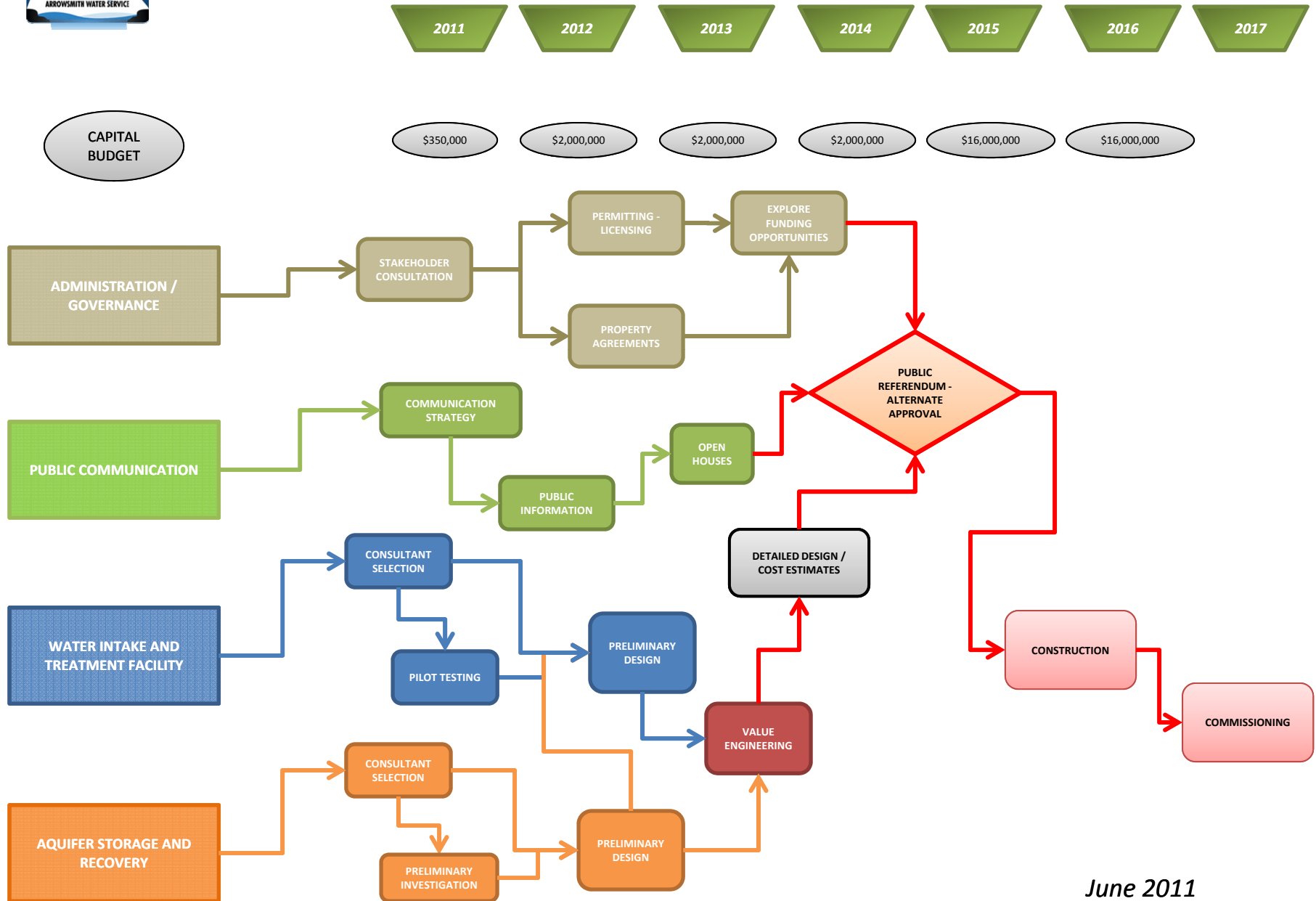
There are no direct fiscal impacts to AWS should the proposed recommendations be approved. Upon completion of mutually-satisfactory terms of reference, schedule, and fees for Phase 2 services with the Associated Engineering team, the AWS Program Manager will seek AWS Management Committee and AWS Management Board approval to award and authorize funding for a professional services contract with Associated Engineering. This process will be repeated once a consultant is selected for Phase 3 services.

RECOMMENDATIONS:

- 1. That** the AWS Management Board accept the Preliminary Implementation Plan Schedule, projecting that the referendum for financing construction of the AWS Expansion Project would occur in 2014;
- 2. That** the AWS Management Board authorize engaging the services of Associated Engineering for Phase 2 services, subject to award of and funding for a professional services contract approved by the AWS Management Board;
- 3. That** the AWS Management Board authorize commencement of a qualifications-based selection of a consultant to perform Phase 3 services, subject to award of and funding for a professional services contract approved by the AWS Management Board.



AWS – IMPLEMENTATION PLAN SCHEDULE (critical path)



June 2011