



Report to ERWS Board

DATE: May 31, 2013

REPORT TO: ENGLISHMAN RIVER WATER SERVICE MANAGEMENT BOARD

FROM: ENGLISHMAN RIVER WATER SERVICE MANAGEMENT COMMITTEE

SUBJECT: CONSULTANT SELECTION FOR NEXT PHASES

ISSUE:

Englishman River Water Service (ERWS) Capital Planning. To engage engineering services to proceed with additional engineering services for Phase 3 works relating to preliminary design.

EXECUTIVE SUMMARY:

It was determined by the ERWS selection committee through a quality based selection process that CH2M Hill is the top rated consulting team. The purpose of engaging an engineering consultant is to help ERWS staff through the next phases of work namely, preliminary design, value engineering, detailed design and construction services. The budgeted fee for the Preliminary Engineering work plan is \$ 972,858 including additional supplementary works and a 10 % contingency. The current ERWS Year 2013 Provisional Budget identifies \$ 1,450,000 for Preliminary Design engineering.

Completion of this work will help further identify and update required capital works and related costs for the water intake, treatment plant and related supply main upgrades. Having the preliminary design complete by the summer of 2014 will allow ERWS to seek Federal and Provincial funding opportunities while meeting target deadlines established by the Vancouver Island Health Authority. Over 12 % of CH2M Hill's budgeted work fees involve a comprehensive public consultation that includes Open Houses and establishing a formal Community Advisory Committee.

Following the preliminary design phase, additional scope of work will be developed jointly with CH2M Hill at significant project milestones and will be awarded contingent upon satisfactory performance, work plan, consulting fees and available budget.

REFERENCE:

- AWS Management Committee Meeting Minutes held on June 23, 2011
- ERWS Year 2013 Provisional Budget, and the 2013 - 2017 Financial Plan, dated December 5, 2012
- ERWS Management Committee Meeting Minutes held on February 22, 2012

BACKGROUND:

In an effort to engage qualified engineering firms to submit Request for Proposals for our next phases of work, staff from the ERWS followed the City of Parksville's Purchasing Policy and used the request for Statement of Qualifications for Professional Services issued by the City of Parksville on July 5, 2011 as part of our selection process. Three firms were selected to submit detailed proposals namely; Associated Engineering (BC) Ltd., CH2M Hill and Stantec Engineering.

Staff prepared the Terms of Reference and the Request for Proposals that involved quality-based selection adopted from the Consulting Engineers of British Columbia. This process involves three parts consisting of a detailed proposal, a presentation and an interview. The quality based selection procedure is solely based on technical competence, experience with similar projects, proven performance, methodology and ability. The scope of work, schedule and an appropriate fee are then negotiated with the top ranked engineering firm. Through this process, the technical review committee consisted of:

- Alan Metcalf - City of Parksville,
- Mike Donnelly - Regional District of Nanaimo,
- Mike Squire - City of Parksville,
- Randy Alexander - Regional District of Nanaimo,
- Scott Churko - City of Parksville,
- Vaughn Figueira - City of Parksville,

determined that CH2M Hill was the top-rated consultant.

CH2M Hill is an employee owned company and is one of the top rated firms in North America with vast experience on similar water intake and membrane treatment projects. Their work plan for the initial Phase 3 works - Preliminary Design consists of:

- Overall Project Management
- Project Information Review
- Regulatory Agency Consultation
- Intake Screen, Pump Station and Raw Watermain Preliminary Design
- Supply Main and Treated Water Distribution Preliminary Design
- Water Treatment Preliminary Design
- Public Consultation and creation of a Public Advisory Committee
- Equipment Procurement
- Participation in a Value Engineering Exercise

Their budgeted fees for these works are:

1. Preparation of a Preliminary Design Report	\$ 646,861
2. Supplementary Scope:	
- Site visits to intakes and treatment plants	\$ 25,226
- Public Consultation	\$ 108,319
- Value Engineering	\$ 34,295
- Equipment Procurement	\$ 44,688
- Additional River low flow monitoring and modeling	\$ 25,027

Total: \$ 884,416

On a project of this size and nature it is good practice to include a contingency of 10 % (\$ 88,442) to account for any unforeseen items that may arise during the preliminary design process. The total fees for Phase 3 works including preliminary design, supplementary work and 10 % contingency are \$ 972,858 plus GST.

CH2M Hill has also recommended that we provide a separate budget allowance of \$ 50,000 should ERWS want entertain a formal Value Engineering review of the preliminary design from an independent facilitator and qualified operators and engineers.

OPTIONS:

1. Accept the budget fee proposal for Phase 3 works consisting of preliminary design and supplementary scope including a 10 % contingency from CH2M Hill.
2. Direct staff to receive additional engineering service fee proposal from other qualified engineering firms.

Option 1 is recommended

ANALYSIS:

Option 1 - The ERWS has already gone through a successful qualification-based competitive selection process which led to the now completed Phase 1 services by Associated Engineering. In the interim until Phase 2 is complete (following a full scale pilot test of the Aquifer Storage and Recovery project), it is important to start preliminary design on the new intake in an effort to meet the 2015 construction start milestone. The ERWS Management Committee is recommending that the ERWS Management Board authorize engaging CH2M Hill to proceed with Phase 3 - Preliminary Design.

Option 2 - The ERWS Management Board could reject the engineering fee proposal from CH2M Hill. This would further delay the project and potentially result in higher

engineering fees. Since this phase of the project is on a critical path, delaying may result in delaying construction and commissioning of the project.

SUSTAINABILITY / ENVIRONMENTAL IMPLICATIONS:

This is a continued effort to develop a bulk regional surface water supply for the City of Parksville and the Regional District of Nanaimo that has been over 20 years in the making. This regional bulk surface water system will reduce our current risks, deliver a secured source of water and provide considerable fisheries enhancements to the Englishman River for the next 40 years. The continued effort supports our mission statement of:

An environmentally sensitive use of water to improve fish habitat and domestic water supply

FINANCIAL:

The ERWS Year 2013 Provisional Budget identifies a budget of \$ 1,450,000 for preliminary design engineering. There are no direct fiscal impacts to ERWS should the proposed recommendations be approved. Sufficient funds are available in the ERWS Year 2013 Provisional budget to commence this work.

RECOMMENDATION:

THAT the ERWS Management Board authorize staff to engage CH2M Hill to complete Phase 3 - Preliminary Design of the Water Intake, Treatment Plant and Supply Mains for \$ 972,858 plus GST,

AND THAT, staff be directed to engage an independent Value Engineering team to review the preliminary design prepared by CH2M Hill providing such fees do not exceed \$ 50,000 plus GST,

AND THAT, staff be directed to further engage and negotiate the work plan and fees with CH2M Hill for future phases of work through to the completion of the project providing satisfactory performance of CH2M Hill and develop appropriate budgets for such in future ERWS Financial Plans.

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