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CONSULTANT SELECTION FOR CONSTRUCTION QUALITY ASSURANCE AUDITOR FOR THE QUEENSVILLE/HOLLAND LANDING/SHARON YORK DURHAM SEWAGE SYSTEM CONNECTION TOWN OF EAST GWILLIMBURY PROJECT 71220

The Environmental Services Committee recommends the adoption of the recommendations contained in the following report dated March 24, 2010, from the Commissioner of Environmental Services.

1. RECOMMENDATIONS

It is recommended that:

1. Genivar Consultants Limited Partnership be engaged to provide construction quality assurance auditing services for the Queensville/Holland Landing/Sharon York Durham Sewage System Connection project as outlined in this report, at an upset limit cost of \$699,331.88 excluding GST.
2. The Commissioner of Environmental Services be authorized to adjust the construction quality assurance auditing services fees using the competitive unit price of \$7,000 per week excluding GST, once the updated construction duration is determined and specified in the tender documents.
3. The Regional Clerk and Regional Chair be authorized to execute a formal agreement with Genivar Consultants Limited Partnership for completion of this engineering service, subject to review and approval by Legal Services.

2. PURPOSE

This report seeks Council authorization to retain the engineering services of a construction quality assurance auditor for the Queensville/Holland Landing/Sharon York Durham Sewage System (YDSS) Connection project in the Town of East Gwillimbury.

The Purchasing By-law requires Council authorization to award a Request for Proposal (RFP) over \$500,000 or when the recommended proponent does not have the lowest cost. In this instance Genivar Consultants Limited Partnership (Genivar) cost is in excess of \$500,000.

3. BACKGROUND

Developer group request advanced construction of sewage infrastructure

In order to proceed with the build-out of their subdivisions, a Developer Group having interests in the communities of Queensville, Holland Landing and Sharon in the Town of East Gwillimbury have requested that construction of necessary wastewater infrastructure be advanced through pre-payment of development charges. At its meeting of June 19, 2008, Regional Council authorized staff to negotiate a Development Charge (DC) Credit Agreement with the developer group to advance construction of the Queensville/Holland Landing/Sharon YDSS Connection project (*see Attachment 1*).

Principles of agreement included preparation of detailed design by developer group for tendering by the Region

Principles of the agreement authorized by Regional Council on June 19, 2008 included the provision that the developer group would be responsible for preparing the detailed design of the works for tendering by the Region. The developer group worked on advancing detailed design through their retained engineering firm MMM Group Ltd. (MMM). This work was undertaken at their own risk concurrent to negotiation of the DC Credit Agreement.

Construction of the works will be ready for tender in the first quarter of 2010

The agreement was executed by all parties in December 2009, and the developer group has provided the securities necessary to proceed to tendering the construction phase of the project. Regional staff have been proactive during the agreement negotiations and have worked closely with MMM to advance the detailed design and secure regulatory approvals. The detailed design is well advanced and tendering is anticipated in the first quarter of 2010, subject to receipt of all required agency approvals.

Construction quality assurance auditor is required to ensure the Region's interests are fully protected

MMM was also originally retained by the developer group for construction contract administration and site inspection via a competitive bid process reviewed and monitored by the Region for compliance with the principles of the Region's Purchasing By-law. Given that MMM has been retained by the developer group, it is prudent for the Region to engage an independent construction quality assurance auditor to ensure the Region's interests are fully protected. These costs are covered as part of the DC Credit Agreement.

The construction quality assurance auditor will monitor and review the services provided by MMM and independently confirm that the inspection, documentation, and contract

administration procedures meet the Region's requirements and are eligible for DC credits in accordance with the Region's guidelines and standards and the DC Credit Agreement.

4. ANALYSIS AND OPTIONS

Request for Proposal (RFP) issued to four qualified consulting engineering firms

In accordance with the Purchasing By-law, a Request for Qualification (RFQ) was advertised on the electronic tendering website in June 2009. Based on this RFQ, the following four engineering firms submitted proposals in response to the Request for Proposal (RFP) to carry out the necessary engineering services as detailed in the RFP's project scope statement:

- CMP Engineering (a division of Cole Engineering Group Ltd.)
- Delcan Corp.
- GHD Inc.
- Genivar Consultants Limited Partnership (Genivar)

Complex scope of work includes concurrent oversight on multiple sites

The Queensville/Holland Landing/Sharon YDSS Connection project consists of an extensive network of gravity sewers and forcemains totalling over 10 kilometres in length. The installation of this linear infrastructure will be undertaken by way of various methods including open cut and tunnelling and include numerous watercourse and railway crossings. The project also includes the construction of three new sewage pumping stations and the decommissioning of an existing pumping station. Given the wide-ranging nature of work involved in this project, it is anticipated that construction activities will be carried-out concurrently by numerous sub-contractors at various locations. The scope of work for this consultant assignment also includes the provision of multiple field inspectors when construction activities dictate.

Services to be provided by the engineering firm during the construction phase of the YDSS Connection project include the following:

- Quality assurance and quality control auditing of project works on the Region's behalf.
- Monitoring and review of the services provided by the contract administrator and inspection retained by the developer group.
- Confirming materials testing, design revisions, change order documentation, payment procedures and other contract administration services.
- Design review and risk analysis.

Proposal evaluated using the two envelope system

Proposals were evaluated using the two-envelope system with technical and financial information submitted in separate envelopes. Technical proposals were evaluated prior to any knowledge of financial information. Technical content of the proposal was weighted at 80%. Given that each proponent had been pre-qualified to submit a proposal, a minimum score to proceed to the financial evaluation was not required.

The technical/management proposals were reviewed based on the following criteria:

- Corporate experience on quality assurance and quality control auditing services on similar projects.
- Project Manager and Senior Inspector experience on similar projects.
- Technical support staff experience on similar projects.
- Understanding of the project and the services to be provided.
- Understanding of deliverables to be provided.
- Implementation of quality assurance process and its deliverables.
- Approach to health and safety.

The financial evaluation composed the remaining 20% weight of the total evaluation. Technical and financial results are summarized in Table 1 below:

Table 1
Consultant Proposal Evaluation Summary

Consulting Engineering Firm	Technical Score (out of 80)	Financial Score (out of 20)	Total Score (out of 100)	Total Price Exclusive of GST
Genivar Consultants Limited Partnership	60.9	20.0	80.9	699,331.88
GHD Inc.	56.9	17.9	74.8	\$866,500.00
CMP Engineering	45.5	18.1	63.6	\$774,266.00
Delcan Corp.	38.0	14.1	52.1	\$988,822.00

Evaluation of proposals resulted in Genivar achieving the highest total score

The proposal with the highest total score, which consisted of the highest technical score as well as the lowest submitted upset fee, was the submission by Genivar.

This proposal provides the best value to the Region as their workplan demonstrated a clear understanding of the quality assurance to be provided under the project and a thorough working knowledge of the Region's expectations, general practices, guidelines

and standards. Genivar's proposal also demonstrated their experience on similar projects and qualifications of key project staff.

5. FINANCIAL IMPLICATIONS

The upset limit fee for this consultant assignment is \$699,331.88 excluding GST. The 2010 capital program identifies a total budget for the Queensville/Holland Landing/Sharon YDSS Connection project of \$70.1 million with approved funding in 2010 of \$19.5 million. Sufficient funds are available in the 2010 budget for the works anticipated to be completed this year.

Payment for quality assurance auditing services during construction is based on construction contract duration up to substantial performance of 435 working days (87 weeks) and is included within the financial proposal. The proposal includes unit prices for quality assurance auditor of \$7,000 per week, excluding GST, if required. This weekly fee accounts for the provision of multiple field inspectors to adequately cover the concurrent construction activities at various locations as outlined previously in this report.

Actual construction duration may vary from the estimated hours quoted on by all parties in the RFP. As such, the quality assurance auditor fees may need to be adjusted based on the above competitive fee of \$7,000 per week to match the actual construction duration for the contract. It is recommended that the Commissioner of Environmental Services be authorized to amend the contract to reflect these changes. This weekly fee will also be used to calculate the credit due to the Region if the construction duration is less than the established baseline of 87 weeks.

6. LOCAL MUNICIPAL IMPACT

This project will provide the necessary sewer capacity for the approved growth areas, as well as existing service areas, in the communities of Queensville, Holland Landing, and Sharon in the Town of East Gwillimbury.

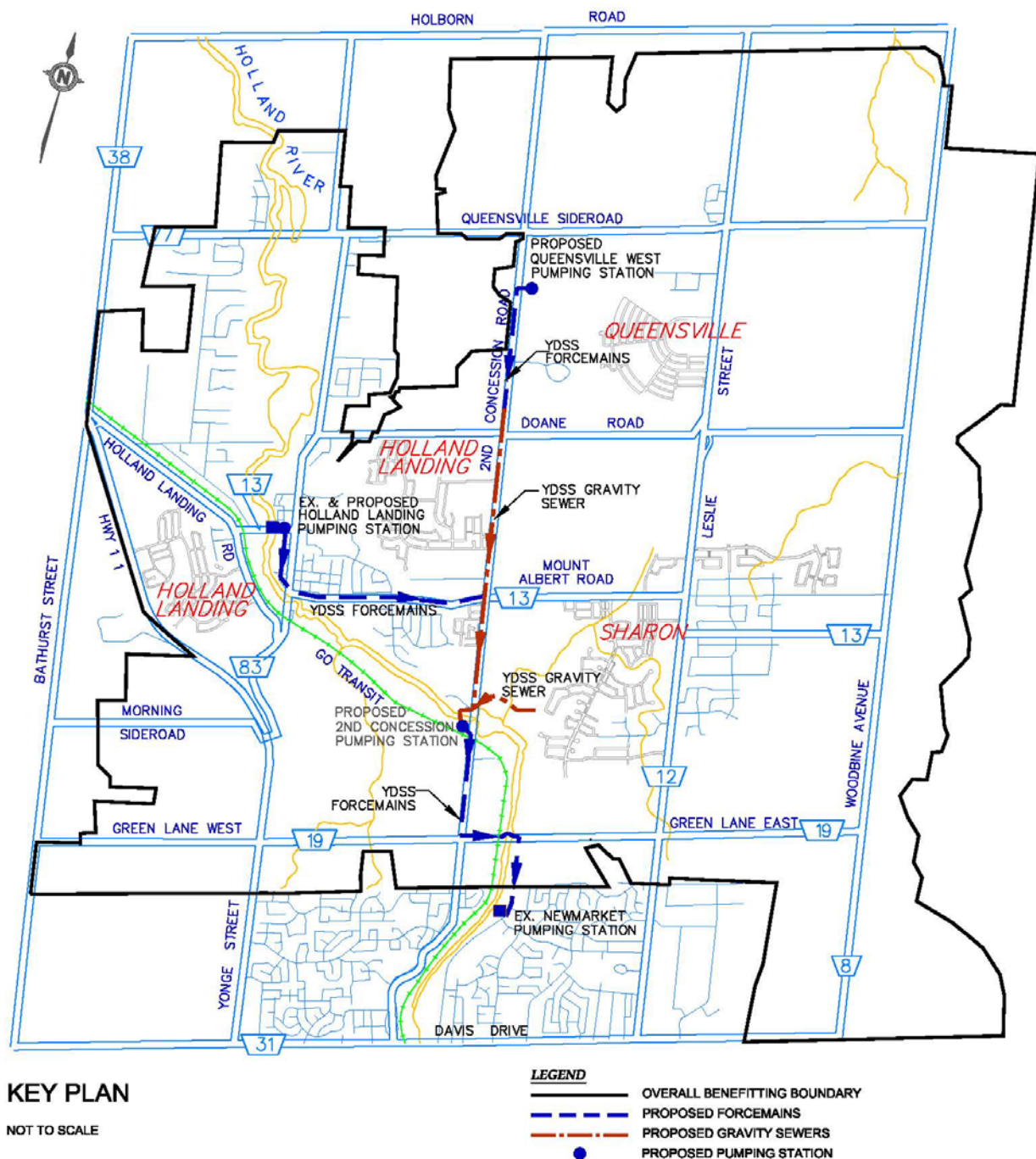
7. CONCLUSION

Four proposals to provide construction quality assurance auditing services for the Queensville/Holland Landing/Sharon York Durham Sewage System Connection project were received and evaluated in accordance with the Purchasing By-law. It has been determined that the proposal from Genivar represents the best value to the Region and is therefore recommended at the upset limit of \$699,331.88 excluding GST.

For more information on this report, please contact Daniel Kostopoulos, Director, Capital Planning and Delivery, Environmental Services at extension 5070.

The Senior Management Group has reviewed this report.

(The attachment referred to in this clause is attached to this report.)



LOCATION PLAN

Consultant Selection for Construction Quality Assurance
 Auditor for the Queensville/Holland Landing/Sharon
 York Durham Sewage System Connection
 Town of East Gwillimbury
 Project 71220