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CONSULTANT SELECTION FOR THE NORTH RICHMOND HILL ELEVATED TANK NO. 2, ENVIRONMENTAL ASSESSMENT PHASE TOWN OF RICHMOND HILL, PROJECT NO. 76300

The Transportation and Works Committee recommends the adoption of the recommendations contained in the following report, April 12, 2007, from the Commissioner of Transportation and Works:

1. RECOMMENDATIONS

It is recommended that:

1. York Region enter into an agreement with KMK Consultants Limited, for the provision of consultant engineering services to complete the Class Environmental Assessment for the construction of the North Richmond Hill Elevated Tank No. 2, not to exceed \$189,300 (excluding GST) pursuant to the sole-source provision of the Purchasing By-law.
2. The Regional Chair and Regional Clerk be authorized to sign the necessary agreement, subject to review by Legal Services.

2. PURPOSE

The purpose of this report is to obtain Council authorization for the sole-source procurement of KMK Consultants Limited, for the provision of consultant engineering services to complete the Class Environmental Assessment for the construction of the North Richmond Hill Elevated Tank No. 2.

Item 10.2 of the Purchasing By-Law requires that, with respect to award of a sole source purchase contract, if the total cost exceeds one hundred thousand dollars (\$100,000.00), the award shall be subject to Council approval.

3. BACKGROUND

The 2004 Long Term Water Master Plan concluded that two elevated water storage tanks are necessary to supply Pressure District 9, which services primarily Oak Ridges in the Town of Richmond Hill and also a component of the supply supplements the Town of Aurora. The first tank, North Richmond Hill Elevated Tank No. 1, was identified to be in service by 2008. The second tank, North Richmond Hill Elevated Tank No. 2, was identified to be in service by 2011.

KMK Consultants Limited, (KMK) is currently providing consultant services for the Class EA, Detailed Design and Contract Administration for the North Richmond Hill Elevated Tank No. 1 project. KMK was awarded the assignment in October 2005, through competition P-05-43.

In April 2006, updated long term growth projections for Pressure District 9 were used in the needs and justification phase of the Class EA for Tank No. 1. The volume of water storage required to satisfy fire, emergency and equalization needs was determined based on these projections. It was identified that both Tank No. 1 and Tank No. 2 may be required sooner than the dates originally estimated in the Master Plan. Tank No. 1 is currently on schedule for the original in-service date of 2008 (second quarter).

Although the Water and Wastewater 10-Year Capital Plan has scheduled the North Richmond Hill Elevated Tank No. 2 to be in service by 2011, it would be prudent to utilize all opportunities to advance the delivery of the tank in reaction to the updated growth projections. As such, compressing the consultant selection timeline was examined, and the results were found to be worthwhile.

4. ANALYSIS AND OPTIONS

The two options that were investigated for selecting a consultant for the North Richmond Hill Elevated Tank No. 2 are as follows:

1. Competitive "Request for Proposal" process for purchases exceeding \$100,000 in accordance with Section 7 of the Purchasing By-law.
2. A sole-source assignment to KMK in accordance with Section 10.2 of the Purchasing By-law.

4.1 Advantages of a competitive proposal process

Undertaking the conventional competitive proposal process would provide the following advantages:

- A competitive technical and financial proposal is guaranteed.
- A wider selection of firms and personnel would be available.

4.2 Disadvantages of the competitive proposal process

Undertaking the conventional competitive proposal process would have the following disadvantages:

- Currently, no firms are short-listed for the North Richmond Hill Elevated Tank No. 2 assignment. The estimated completion time for short-listing, issuance of a request for proposals and evaluation of submitted proposals would result in authorization of an award by Council in October 2007 at earliest.

- Minor additional delays would also result from extra time required for a new consultant to collect data and gain familiarization with the project. This is estimated to be in the range of three to six weeks.

4.3 Advantages of sole sourcing the assignment to KMK Consultants

Awarding the sole-source assignment to KMK would provide the following advantages:

- KMK can begin work on the assignment immediately. This would result in completion of the Class EA four months earlier.
- York Region can approach stakeholders, agencies, and the public with the same project team, given that the project has significant similarity to Tank No. 1. This would be the best practice in public and stakeholder relations, by providing consistency with the enhanced stakeholder engagement employed in the Class EA for Tank No. 1.

4.4 Mitigation of the Disadvantages

With either option, the project team would strive to maintain aggressive detailed design and construction schedules to meet servicing requirements.

KMK's proposal for Tank No. 1 had both the lowest cost and the highest technical score of the proposals that were evaluated. KMK's proposal for consultant services for the Class EA of the Tank No. 2 project was compared against their competitive price for Tank No. 1. This comparison determined that their proposed fee for this work is reasonable and in fact reflects some savings related to general data collection and preliminary works that has already been completed on the Class EA for Tank No. 1.

The assignment for Tank No. 1 entails complex work within the Oak Ridges Moraine. The approach to many of the associated statutes and regulations has been pioneered by this project. Thus far, KMK has received written praise from the Toronto and Region Conservation Authority for their work, and accordingly, the Environmental Study Report is being set aside as a benchmark for future Water and Wastewater Class EA's. Furthermore, the tank design has been the first contract to comply with, and provide improvements to, the Region's most recent Standard Specifications update. In addition to their high quality work, KMK's dedication to the project has enabled the project team to meet the Region's deadlines for the Class EA and the tendering of Tank No. 1.

Once the Class EA for Tank No. 2 has identified and confirmed the preferred solution, the Detailed Design and Contract Administration phases of the assignment can be awarded by following the conventional competitive proposal process. The scheduling of the proposal process and award will be planned and scheduled carefully to minimize delays and disruptions to the delivery of the North Richmond Hill Elevated Tank No. 2.

4.6 Recommended Option

Based on the above analysis, the proposal by KMK Consultants Limited for consultant services for the Class Environmental Assessment of the North Richmond Hill Elevated Tank No. 2 is the best option for consultant selection, given that there are significant benefits in terms of scheduling, stakeholder interactions and project cost savings.

5. FINANCIAL IMPLICATIONS

KMK Consultants Limited has become familiar with the North Richmond Hill Elevated Tank No. 2 project through their work on the North Richmond Hill Elevated Tank No. 1, and their proposed fee reflects some saving resulting from activities already completed during this first assignment.

Given the recent advancement of these works, there were no funds identified for this specific project in the 2007 10-year Capital Plan. Given the relatively low monetary value of the assignment, funding is available through under expenditures within other projects in the 2007 10-year Capital Plan.

6. LOCAL MUNICIPAL IMPACT

Pressure District 9 encompasses areas of similar elevation in Vaughan, Richmond Hill, Aurora, and King. The service area of the North Richmond Hill Elevated Tank No. 2 is primarily Oak Ridges in the Town of Richmond Hill.

The North Richmond Hill Elevated Tank No. 2 will provide additional storage within the water system for fire, emergency and equalization in Pressure District 9. This will improve the quality of water services of current and future residents.

7. CONCLUSION

It is recommended that York Region enter into an agreement with KMK Consultants Limited, for the provision of consultant services to complete the Class Environmental Assessment required for the construction of the North Richmond Hill Elevated Tank No. 2, at a value of \$189,300 (excluding GST).

The sole source assignment will allow for acceleration of the North Richmond Hill Elevated Tank No. 2 project, necessary to meet the updated growth projections for Pressure District 9. Retaining KMK Consultants Limited will maintain stakeholder, agency, and public familiarity with the project team, and allows for York Region to benefit from a cost savings arising from KMK's familiarity with the project based on the Class EA for the previous Elevated Tank.

For more information on this report, contact Bala Araniasundaran, extension 5131, Director, Capital Delivery of the Water and Wastewater Branch in the Transportation and Works Department.

The Senior Management Group has reviewed this report.