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GLENWAY RESERVOIR EXPANSION - CONSULTANT SELECTION FOR ENGINEERING SERVICES PROJECT NUMBER 75450

The Environmental Services Committee recommends the adoption of the recommendations contained in the following report dated September 2, 2010, from the Commissioner of Environmental Services.

1. RECOMMENDATIONS

It is recommended that:

1. GHD Inc. be engaged to undertake the Class Environmental Assessment, detailed design, contract administration and site inspection for the Glenway Reservoir Expansion, as outlined in this report, at an upset limit fee of \$743,492, excluding taxes. The upset limit fee includes:
 - a. \$462,692, excluding taxes, for Class Environmental Assessment, detailed design and engineering services during construction.
 - b. \$280,800, excluding taxes, for contract administration and site inspection services, based on 72 weeks construction duration estimated by staff.
2. The Commissioner of Environmental Services be authorized to adjust the contract administration and site inspection fees using the competitive unit price of \$3,950.83 per week, excluding taxes, to match the updated construction duration determined on completion of detailed design.

2. PURPOSE

This report seeks Council authorization to retain engineering services related to the Class Environmental Assessment, detailed design, contract administration and site inspection to increase water storage capacity at the Glenway Reservoir site in Newmarket from existing 4.4 ML (Million Litres) to 10.5 ML. A location plan is appended to this report (*see Attachment 1*).

The Region's Purchasing By-law requires Council authorization to award Request for Proposals (RFP) over \$500,000. In this case, the recommended proponent's fee is over \$500,000.

3. BACKGROUND

Expansion of storage capacity identified in 2009 Master Plan Update

Expansion of the Newmarket Glenway reservoir is required to provide sufficient water storage capacity and to meet the growth and increased demand in the Newmarket Central and Newmarket West pressure zones. Water demand and flow through these two zones will increase from a current maximum daily amount of 38.7 MLD (Million Litres per day) to 55.9 MLD by 2036. The need for this project was identified in the 2009 Master Plan Update. Capacity expansion was previously planned during design of the existing storage design and there is an identified location provided on the property to add a second, similar capacity tank.

4. ANALYSIS AND OPTIONS

Seven engineering consulting firms responded to Request for Proposal

In accordance with the Region's Purchasing By-law, engineering firms were invited to submit proposals for the assignment. The following seven firms submitted proposals:

- AECOM Canada Ltd.
- Associated Engineering Ltd.
- Conestoga-Rovers and Associates Ltd. (CRA)
- Genivar Consultants LP
- GHD Inc.
- MMM Group Ltd.
- The Municipal Infrastructure Group Ltd. (TMIG)

The Request for Proposal detailed the scope of work required, which included the following services:

- Project management, planning and control
- Environmental assessment and detailed design
- Procurement of approvals
- Tender and award
- Construction contract administration including site inspection
- Quality assurance and quality control
- Water modeling to determine optimum time line for proposed new water main between Glenway reservoir and Yonge Street.

Proposals 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. Content of technical proposals was weighted at 80%.

The Region's proposal evaluation team reviewed the seven technical management proposals based on the following criteria:

- Corporate experience and engineering experience of the firm for similar projects
- Project manager and proposed key staff experience for similar projects
- Proposed technical support staff experience for similar projects
- Project understanding and ability to deliver the project
- Sub-consultants' experience
- Project management, implementation and allocated resources

The financial evaluation composed the remaining 20% of the total evaluation. To be considered for award, proponents must achieve a minimum technical score of 60% (48 points) out of the potential 80 points allocated to technical merit. Conestoga-Rovers and Associates Ltd., Genivar Consultants LP and MMM Group Ltd. did not have their financial envelopes opened as they did not achieve the minimum score of 48 points on their technical proposal. Technical and financial results are summarized in Table 1 below.

Table 1
Consultant Proposal Evaluation Summary

Consultant	Technical Score (Out of 80)	Financial Score (Out of 20)	Total Score	Total Fee (Excluding HST)
GHD	54.75	20.00	74.8	\$743,492
TMIG	55.20	16.00	71.2	\$929,915
Associated Eng.	55.85	13.00	68.8	\$1,144,629
AECOM	51.75	10.60	62.3	\$1,404,273
CRA	47.25	N/A	N/A	N/A
MMM Group	45.05	N/A	N/A	N/A
Genivar	43.90	N/A	N/A	N/A

5. FINANCIAL IMPLICATIONS

The upset limit cost included in the highest rated proposal is \$743,492 excluding taxes. The approved 2010 capital program includes a total project budget of \$9.1 million for this

project. The engineering fee for this assignment, including the environmental assessment, is under 10% of the construction cost estimate, which is within the range for this type of project.

Payment for engineering services during construction is based on construction contract duration. Based on the condition assessment report and preliminary design, an allowance for contract administration and site inspection services of 360 working days (72 weeks) is included within the financial proposal. The proposal includes unit prices for contract administration and site inspection, in this case \$3,950.83 per week, which staff deem adequate for this type of project.

Actual construction duration will be determined upon completion of detailed design and construction staging. This duration may vary from the estimated hours quoted on by all parties in the Request for Proposal. The construction administration and site inspection fees may need to be adjusted based on competitive pricing to match the updated construction duration at the tendering stage for the contract. It is recommended that the Commissioner of Environmental Services be authorized to amend the contract to reflect these potential changes.

6. LOCAL MUNICIPAL IMPACT

Increasing storage capacity for the Glenway Reservoir from 4.4 ML to 10.5 ML will provide sufficient storage capacity to match the increased demand and flow through the Newmarket Central and Newmarket West pressure zones and will satisfy fire flow storage requirements. Once completed the reservoir will ensure water storage demand is met as per MOE and fire department guidelines.

7. CONCLUSION

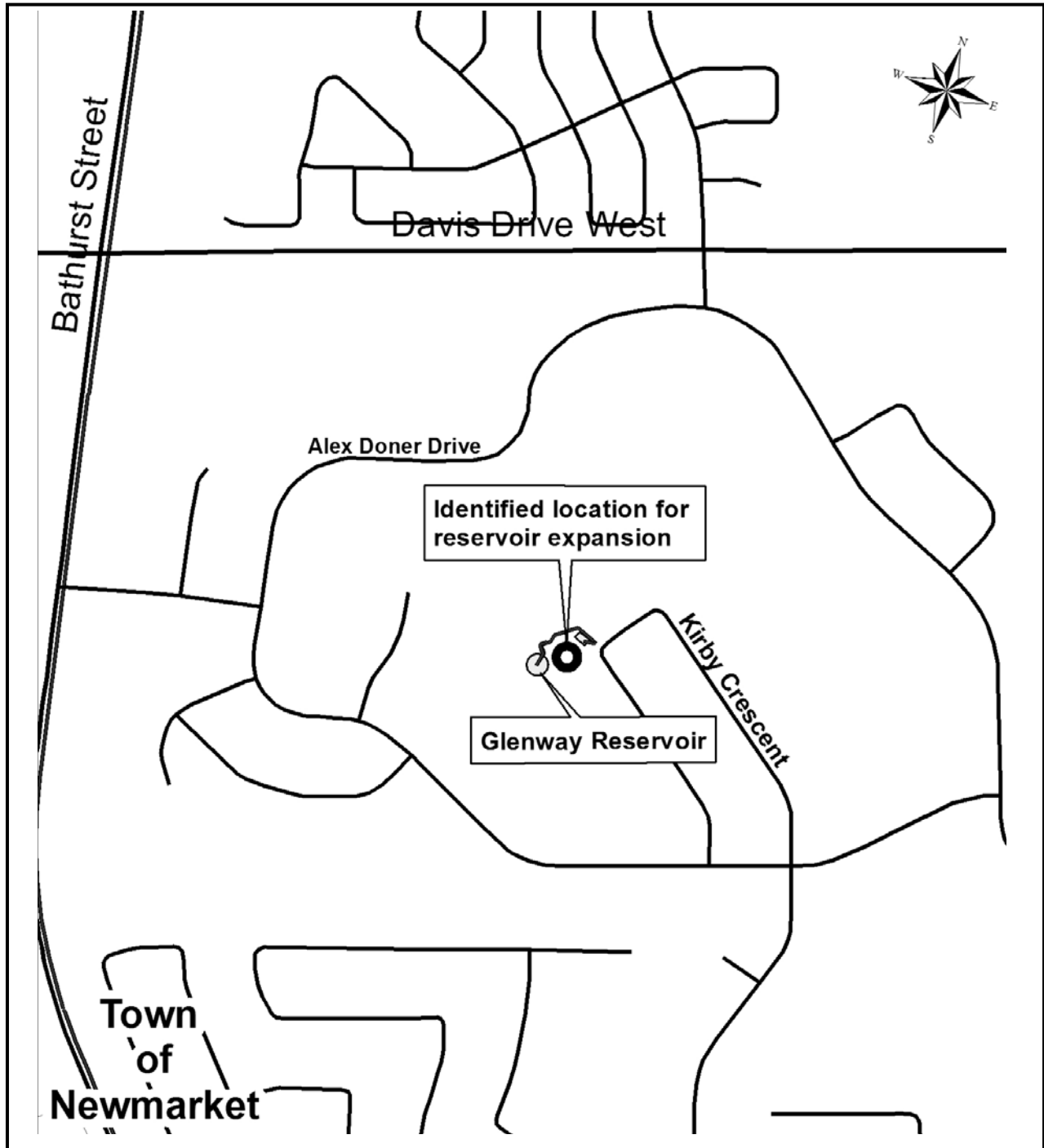
Implementation of the Glenway Reservoir Expansion project will increase storage capacity of the Reservoir from 4.4 ML to 10.5 ML. Implementation of this project and other Master Plan recommended projects in the Town of Newmarket will ensure peak water capacity requirements are met for the Newmarket Central and Newmarket West pressure zones until 2031.

Consultants' proposals were evaluated in accordance with the Region's Purchasing By-law. The proposal from GHD Inc. represents the best overall value to the Region and it is recommended that the project assignment be awarded to GHD Inc. at the upset limit cost of \$743,492, excluding HST.

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

Glenway Reservoir Expansion -
 Consultant Selection for Engineering Services
 Project Number 75450

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