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CONSULTANT SELECTION FOR DETAILED DESIGN, CONTRACT ADMINISTRATION AND SITE INSPECTION KENNEDY ROAD PD4-PD6 WATERMAIN, TOWN OF MARKHAM - PROJECT 74260

The Transportation and Works Committee recommends the adoption of the recommendations contained in the following report, September 17, 2008, from the Commissioner of Environmental Services, with the following additional recommendation:

- 3. Staff maintain detailed documentation in order to track all costs associated with this project and report back to the Transportation and Works Committee at the end of the project with an analysis of the recommended upset limit cost compared to the actual final costs for the entire project.**

1. RECOMMENDATIONS

It is recommended that:

1. The consulting engineering firm of MMM Group Limited be engaged to undertake the detailed design, contract administration and site inspection for the Kennedy Road PD4-PD6 Watermain Project as outlined in this report, at an upset limit cost of \$1,897,220 excluding GST.
2. The Regional Chair and Regional Clerk be authorized to execute a formal agreement with MMM Group Limited for completion of these engineering services, subject to review by Legal Services.

2. PURPOSE

This report seeks Council authorization to retain engineering services related to the Kennedy Road PD4-PD6 Watermain Project.

The Purchasing By-law requires Council authorization to award Requests for Proposals (RFP) over \$500,000 or when the recommended proponent does not have the lowest cost. In this case, the recommended proponent has the lowest cost, but the total cost is greater than \$500,000. Therefore, Council authorization is required.

3. BACKGROUND

Project need established through Toronto/York Joint Optimization Study

In March 2006, York Region and the City of Toronto completed an update of the Toronto/York Joint Optimization Study (JOS). The purpose of the JOS was to identify water system requirements for planned growth in the City and the Region. The JOS identified the need for a new watermain along Kennedy Road from Purcell Boulevard to

Major Mackenzie Drive to provide additional water supply for Pressure District 6 (PD6) in Markham from Pressure District 4 (PD4).

Class Environmental Assessment study completed to establish watermain route on Kennedy Road

In light of the need for this watermain, as identified by the JOS, the Region and the City completed a Municipal Class Environmental Assessment (Class EA) Study to establish a preferred route alignment on Kennedy Road.

The Class EA Environmental Study Report (ESR) was placed on the public record for review and comment for a period of 30 days. During this time, any member of the public could make a request of the Ministry of the Environment (MOE) that the project be undertaken under the more comprehensive provisions of an Individual Environmental Assessment. This is termed a request for a Part II Order.

As no Part II Order requests were filed with MOE during the 30 day review period, the Region is now authorized to move forward with the detailed design and construction phases of the project as outlined in the ESR.

The location plan (*see Attachment 1*) showing the project works is appended.

4. ANALYSIS AND OPTIONS

Request for Proposal issued to three qualified engineering consulting firms

In accordance with the Purchasing By-law, Request for Qualifications (RFQ) were advertised in the Daily Commercial News and the Electronic Tender Network. Based on a formal evaluation of the responses to this RFQ, the following three Engineering Consulting Firms were issued a Request for Proposals (RFP) to carry out the necessary Detailed Design, Contract Administration and Site Inspection services for the works as described in the ESR.

- Genivar Ontario Inc.
- The Municipal Infrastructure Group Ltd.
- The MMM Group Limited

Proposals were evaluated using the two envelope system

Proposals were evaluated using the two envelope system with technical and financial information submitted in separate envelopes. The technical proposals were evaluated prior to any knowledge of financial information. Technical content was weighted at 80%. The Region's proposal evaluation team reviewed the three technical/management proposals based on the following criteria:

- Corporate experience on similar projects
- Experience of key project staff
- Applicable staff training
- Sub-consultant's experience
- Understanding of the project
- Project approach and methodology
- Quality assurance and control processes

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

Firm	Technical Score (out of 80)	Upset Fee (excluding GST)	Financial Score (out of 20)	Total Score (out of 100)
MMM Group	59.0	\$1,897,220	20.0	79.0
Municipal Infrastructure Group Limited	55.3	\$2,569,977	14.8	70.1
Genivar	51.4	\$2,072,087	18.3	69.7

Evaluation of proposals resulted in MMM Group Limited achieving the highest total score

The firm with the highest total score, which consisted of the highest technical score as well as the lowest submitted upset limit fee was MMM Group Limited. Their proposal demonstrated a clear understanding of the complexities of the project, as well as committed experienced team members to key project components.

5. FINANCIAL IMPLICATIONS

The upset limit fee for the proposed work is \$1,897,220.25, excluding GST. The 2008 Capital Budget outlines a total budget for this project of \$17,558,000, with approved funding of \$750,000 in 2008. Given that this consultant assignment will be awarded in the last quarter of 2008, sufficient funds are available in the 2008 Budget for the works anticipated to be completed this year.

Payment for engineering services during construction is based on contract duration. Lump sum prices for contract administration and site inspection are included for 360 total working days within the financial proposal. If actual contract duration varies from the above estimated working days, then payments to the Consultant will be pro-rated using the per diem costs which will be derived from the fee proposal.

6. LOCAL MUNICIPAL IMPACT

Once completed, the watermain along Kennedy Road will increase the supply of water to the PD 6 area of Markham required to service approved growth.

7. CONCLUSION

Three proposals for this project were evaluated in accordance with Regional procedures. It is recommended that MMM Group Limited be engaged to undertake the detailed design, contract administration and site inspection for the Kennedy Road PD4-PD6 Watermain Project at the upset limit cost of \$1,897,220.25, excluding GST.

For more information on this report, contact Bala Araniyasundaran, extension 5131, Director, Capital Planning and Delivery of the Water and Wastewater Branch in the Environmental Services Department.

The Senior Management Group has reviewed this report.

(The attachment referred to in this clause was included in the agenda for the October 1, 2008 Committee meeting.)