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### **CONSULTANT SELECTION FOR CLASS ENVIRONMENTAL ASSESSMENT STUDY, DETAILED DESIGN, CONTRACT ADMINISTRATION AND SITE INSPECTION SERVICES FOR THE PD6 MARKHAM BYPASS WATERMAIN, TOWN OF MARKHAM – PROJECT 74210**

**The Transportation and Works Committee recommends the adoption of the recommendations contained in the following report, October 24, 2008, from the Commissioner of Environmental Services:**

#### **1. RECOMMENDATIONS**

It is recommended that:

The consulting engineering firm of MMM Group Limited be engaged to undertake the class environmental assessment study, detailed design, contract administration and site inspection for the PD6 Markham Bypass Watermain Project as outlined in this report, at an upset limit cost of \$1,728,835, excluding GST.

The Regional Chair and Regional Clerk 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 PD6 Markham Bypass 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 identified in the 2004 Long Term Water Master Plan**

The need for this project was identified in the 2004 Long Term Water Master Plan and is required to service growth in the Markham North Eastern Pressure District 6 (PD6) service areas in accordance with the growth and development objectives of the Region. This project will contribute to the Region and local area municipality's objective of providing water service to residents and businesses.

Specifically, this Project will enhance water service reliability by providing redundancy and allow for approved local growth and development.

#### **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 Proposal (RFP) to carry out the necessary class environmental assessment study, detailed design, contract administration and site inspection for the PD6 Markham Bypass Watermain Project:

- The MMM Group Limited
- Chisholm, Fleming & Associates
- Earth Tech Canada Inc.

##### **Scope of services to be provided includes Class Environmental Assessment, Detailed Design and Contract Administration**

The Request for Proposals (RFP) provides a detailed scope of required services. An overview of the required scope of services are as follows:

- Project planning and control
- Project schedule
- Class Environmental Assessment Study
- Detailed design and approvals
- Tender and award
- Construction contract administration and site inspection
- Quality assurance and quality control

##### **Proposals were received by only two of the proponents**

Section 3.9 of the Region's Request for Proposals on this assignment, clearly stipulated that Proposals must be received by the Director of Supplies & Services no later than 1:00 pm local time on October 7, 2008. The proposal from Chisholm, Fleming & Associates was officially received after this specified closing date and time, and as such was not accepted by the Region for formal evaluation on this assignment.

### **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 two 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 process

It should be noted that neither of the Technical Proposals achieved the required minimum score of 60 out of 80 as was stipulated in the Request for Proposal. As such, a Bid Review Committee was convened on this issue. Given that the proponents had been prequalified to submit a proposal, the Bid Review Committee decided the requirement to achieve a minimum score should be deleted from the Request for Proposal and both proponents should be allowed to move on to the Financial Proposal evaluation phase.

The financial evaluations 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

| <b>Firm</b>            | <b>Technical Score<br/>(out of 80)</b> | <b>Financial Score<br/>(out of 20)</b> | <b>Total Score<br/>(out of 100)</b> |
|------------------------|----------------------------------------|----------------------------------------|-------------------------------------|
| MMM Group Limited      | 55.4                                   | 20                                     | 75.4                                |
| Earth Tech Canada Inc. | 40.4                                   | 11.7                                   | 52.1                                |

### **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.

As reflected by the above technical scores, MMM Group's proposal demonstrated a clear understanding of the specific issues and provided the evaluation team with a high level of

confidence that the project would be completed on schedule and within the allocated budget.

## **5. FINANCIAL IMPLICATIONS**

The upset limit fee for the proposed work is \$1,728,835, excluding GST. The 2008 Capital Budget outlines a total budget for this project of \$11,862,000, with approved funding of \$570,000 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 320 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 derived from the fee proposal.

## **6. LOCAL MUNICIPAL IMPACT**

Once completed, the PD6 Markham Bypass watermain will increase the supply of water to the PD6 service area of Markham required to service approved growth. The completion of this Project is required in the 4<sup>th</sup> quarter of 2010.

## **7. CONCLUSION**

Two proposals for this project were evaluated in accordance with Regional procedures. It is recommended that MMM Group Limited be engaged to undertake the class environmental assessment, detailed design, contract administration and site inspection for the PD6 Markham By-Pass Watermain Project at an upset limit cost of \$1,728,835, excluding GST.

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

The Senior Management Group has reviewed this report.

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