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CONSULTANT SELECTION FOR YORK REGION FACILITY OPERATION MANUALS DEVELOPMENT - PROJECT 78500/78520-EI08011

The Environmental Services Committee recommends the adoption of the recommendation contained in the following report dated October 27, 2011, from the Commissioner of Environmental Services.

1. RECOMMENDATION

It is recommended that:

1. GHD Inc. be engaged to provide engineering services to undertake development of York Region Water and Wastewater Facility Operation Manuals as outlined in this report, at a cost of \$1,019,745.00 excluding taxes.

2. PURPOSE

This report seeks Council authorization to retain engineering services related to the York Region Water and Wastewater Facility Operation Manuals Development.

The Purchasing By-law requires Council authorization to award Requests for Proposals over \$500,000 or when the recommended proponent does not have the lowest cost. In this case, the recommended proponent did not submit the lowest cost and the proponent's bid is over \$500,000.

3. BACKGROUND

Region owns, operates and maintains numerous water and wastewater facilities

As of August 2010, York Region owned, operated and maintained 102 regional water and wastewater facilities consisting of 36 plants/wells, 33 pumping stations and 33 reservoirs/towers. These facilities are managed by the Operations Maintenance and Monitoring Branch of Environmental Services. Operations services are delivered through seven geographical work areas known as "Hubs".

Since August 2010, a number of new water and wastewater facilities have been commissioned and are currently operational. The operation manuals for these new facilities have been prepared by the design consultant, in accordance with the Region's

standard, as part of the delivery of the capital projects and are not included in this assignment.

A compliance audit was completed as a requirement of the Environmental Management System

The Region's Environmental Management System (ISO 14000) requires that compliance audits be completed every three years. The last compliance audit completed November 2008 found the operation manuals for the Region's water and wastewater facilities out-of-date.

York Region's standard for facility operation manuals was first developed in 2006 and later revised in 2008.

Water and wastewater facilities require up-to-date operations manuals to be compliant with regulatory requirements

Ministry of the Environment's Municipal Drinking Water Licences (for water facilities) and Certificates of Approval (for wastewater facilities) require up-to-date operation manuals be maintained and available on site for reference by all persons responsible for the operation of the facility.

The *Safe Drinking Water Act* and the *Ontario Water Resources Act* also reference the requirement to maintain up-to-date operation manuals.

Asset Management initiated an Infrastructure Improvement Program project to investigate facility operation manuals

As a result of the compliance audit, an Infrastructure Improvement Program project was initiated in 2008 to investigate the status of operation manuals for all of the Region's water and wastewater facilities. The project includes two phases: an investigation to determine what specific updates are required and an engineering assignment to complete the required updates.

The investigation was initiated in spring 2009 and has been completed. This report is required for award of the engineering assignment to complete the investigation's recommended operation manuals updates.

York Region facility manuals investigation identified need to update facility operation manuals

The investigation into the availability and quality of operation manuals for the Region's water and wastewater facilities was completed in late 2010 to determine whether operation manuals were available and if available, were they up-to-date and in

compliance with all current regulatory requirements and York Region's standards for operation manuals.

The report on York Region's Facility Manuals identified a need to develop or update all of York Region's facility operation manuals to meet current regulatory requirements and comply with York Region's standard for operation manuals. Updates are required within the next 12 months for key facilities to maintain regulatory compliance.

Ministry of the Environment sees updating facility operation manuals as a best management practice

The Ministry of the Environment is aware of this pending assignment and cited updating the Region's operation manuals as a "best management practice" recommendation in their last drinking water inspection report of Regional water facilities.

This would also pertain to the Region's wastewater facilities.

4. ANALYSIS AND OPTIONS

Request for Proposal issued for consulting services

In accordance with the Region's Purchasing By-law, Request for Proposal P-11-54 was issued on June 3, 2011 to invite qualified engineering firms to submit technical and financial proposals to deliver a comprehensive scope of services to develop the York Region Facility Operation Manuals. The Request for Proposal closed on July 14, 2011.

Proposals were evaluated using the two envelope system

Seven proposals were received and 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 proposals based on the following criteria:

- Project understanding and ability to deliver the project
- Project manager and proposed key staff experience on similar projects
- Proposed technical support staff experience on similar projects
- Project management and implementation
- References

The financial evaluation composed the remaining 20% of the total evaluation. Technical and financial results are summarized in Table 1. A technical score of 48 points, or 60 per cent, was required to open the financial proposal. IBI Group did not achieve the minimum technical score so their submission was not considered further.

Table 1
Consultant Proposal Evaluation Summary

Consulting Engineering Firm	Technical Score (out of 80)	Financial Score (out of 20)	Total Score	Total Price (\$)	Cost/ Technical Point (\$)
GHD Inc.	56.2	18.6	74.8	1,019,745.00	18,170.79
Cole Engineering Group	55.2	18.4	73.6	1,031,175.50	18,694.26
Westin Engineering Inc.	57.8	14.6	72.4	1,299,990.00	22,502.86
Ontario Clean Water Agency	56.0	14.6	70.6	1,298,796.00	23,209.36
AECOM	49.4	20.0	69.4	950,000.00	N/A
Insyght Systems	50.0	15.2	65.2	1,250,680.00	N/A
IBI Group	31.0	N/A	N/A	N/A	N/A

Evaluation of Proposals required “lowest cost per technical point” analysis

The “lowest cost per technical point” analysis was utilized pursuant to the requirements of the Purchasing By-law because the top four proponents (GHD Inc., Cole Engineering Group, Ontario Clean Water Agency and Westin Engineering Inc.) were within 5 total points of each other. GHD Inc. had the highest total score and the lowest cost per technical point of \$18,170.79.

The proposal submitted by GHD Inc. demonstrated a clear understanding of project requirements and critical timelines and provided an experienced team committed to working with Environmental Services staff.

Link to key council approved plans

Economic vitality is a priority in the Region’s 2011 to 2015 Strategic Plan. Implementation of the York Region Facility Operation Manuals Development outlined in this report is a key component of the Region’s commitment to continuing to deliver and sustain critical infrastructure. Upon completion of this project, the Region will have updated documentation to operate and maintain the Region’s water and wastewater infrastructure.

5. FINANCIAL IMPLICATIONS

The fee for the proposed scope of work is \$1,019,745 excluding taxes. Funding for this project is included in the approved 2011 capital program and includes Total Project Budget Authority.

6. LOCAL MUNICIPAL IMPACT

By undertaking this assignment the Region brings operation manuals for all water and wastewater facilities up-to-date, enhances safety and efficiency of facilities' operations and complies with applicable licenses and approvals.

7. CONCLUSION

Seven proposals from engineering consultants were received and evaluated for this project in accordance with the Region's Purchasing By-law. The proposal from GHD represents the best overall value to the Region and it is recommended that GHD Inc. be engaged to undertake the York Region Facility Operation Manuals Development at a cost of \$1,019,745.00 excluding taxes.

Successful completion of this project will ensure the Region has up-to-date operation manuals available for all water and wastewater facilities that meet regulatory requirements and the Region's standard to support consistent operations and provide a tool for training new staff.

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.