



Memo

January 26, 2011

To: General Manager of Public Works

Re: Award of Engineering Services Commission for The Wastewater Treatment Plant Upgrade

BACKGROUND

On December 15, 2009 the City of Regina received proposals for the engagement of professional engineering services for conceptual, pre-design, detailed design and construction engineering of the Wastewater Treatment Plant Upgrade. The purpose of this memo is to request approval to award the engineering services commission for the project.

DISCUSSION

In 2008, City Council approved Report CR08-28 that recommended:

1. Public Works Division to initiate the process to engage consulting and professional engineering services for condition assessment, pre-design, detailed design and construction engineering of the Wastewater Treatment Plant upgrade.
2. The authority to award a commission for the pre-design stage, after review of proposals from professional engineering firms be delegated to the General Manager of Public Works.
3. The Administration provide a report to City Council after completion of pre-design that will cover the Administration's recommendation on the best project delivery method as well as the recommended treatment process, cost estimates (capital and further engineering costs) and scheduling.

In an openly advertised Request for Proposals (RFP), staff used a Qualifications Based Selection approach to evaluate submissions received. The RFP's Terms of Reference contained criteria to short list firms as well as criteria to evaluation the Stage 1 proposals and interviews.

Two firms submitted Stage 1 proposals. Both firms were given the opportunity to introduce their key project managers and outline critical issues in an interview. The selection team assessed the critical issues and ranked each firm according to the RFP criteria, with AECOM Canada Ltd. scoring the highest. AECOM was invited to submit a Stage 2 proposal outlining detailed scope and fees.

AECOM's Stage 2 proposal submission was received and reviewed by the selection team. The firm met with the selection team to address Stage 2 review comments. Upset Fees for the Concepts Plan phase and estimates for the predesign, detailed design and construction services phases were given as follows:

Component	Costs (plus taxes)	Type of Cost
Concept Phase	\$1,990,551	Upset Fee
Predesign Phase	<small>s. 17(1)(d), 18(1)(c) & (d) LAFOIPPA</small>	Estimate
Detailed Design and Tender Documents Phase		Estimate
General Engineering during Construction Phase		Estimate
Construction Phase		Estimate
Total		Estimate

The upset fee applies to Conceptual Design, which will evaluate innovative treatment technologies, providing options and costs as well as provide a preliminary presentation on current project delivery methods. Upon completion of concepts evaluation the firm will be asked to review their original estimated fees and negotiate an agreed upset fee for the Predesign. Upon completion of the Predesign, wherein the upgrade option will be determined and project delivery methods will be assessed, the report per recommendation 3 of CR08-28 will be provided to Council. Then AECOM will be asked to review their original estimated fees and the City will negotiate an agreed upset fee for the remaining engineering phases.

In addition to approval of the concept design phase fees, approval is requested to include an allowance of \$100,000 to cover third party inspection and geotechnical work that will be coordinated and managed by the consultant. A \$100,000 contingency allowance is also requested for a total approval request of \$2,190,551 (plus taxes).

Detailed design of the project would proceed upon receipt and approval by the City of the final pre-design report and approval of the detailed design and construction engineering fees and disbursements.

BUDGET IMPLICATIONS

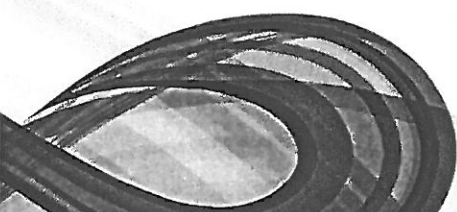
There are adequate approved funds in the Capital Account C5005 to cover the total cost of the Concept Design Phase, plus third party services and contingency allowance that is requested.

The estimated capital budget for the Wastewater Treatment Plant Upgrade is approximately ^{s. 17(1)(d) LA} million, including engineering services and construction. The engineering costs would be expected to be ^{s. 17(1)(d) LAFOIPPA} over the course of the project (after the initial concepts are complete). The estimated commission fees are and are in line with Consulting Engineers of Saskatchewan Inc.'s *Schedule of Recommended Fees to be Charged for General Engineering and Geoscience Projects and Services*.

RECOMMENDATION

Your approval is requested:

Environmental Engineering -
 Public Works Division
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- To award the engineering commission to AECOM Canada Ltd. for an Upset Fee of \$1,990,551 (plus taxes) for the first stage Concept Design Phase, plus an allowance of \$100,000 for the consultant to engage external subcontractors for inspection testing and geotechnical services.
- For a contingency allowance of \$100,000 for unforeseen scope and expenditures during the course of the engineering commission to be administered by the Project Manager without further approvals.

The project is an eligible expense under the Acquisition of Goods, Equipment and Services Policy. Environmental Engineering will work with Legal and our Risk Manager to prepare an agreement with appropriate Insurance coverage. The consultant will be requested to execute engineering agreements, which be forwarded to the City Solicitor for execution by the City Clerk.


The Director of Environmental Services supports the request as outlined. The Managers of Financial Operations and Financial Services has reviewed this report. Should you have any questions, please contact Peter Hagar, Project Manager, directly at 777-7469 or the undersigned at 777-7441.

28 (1) - Personal Information

Gary Nieminen, M.Sc., P.Eng.
Manager of Environmental Engineering Branch

PH/KD/jm

c: City Solicitor (Attn: J. Krueger)
Director of Financial Services
Director of Environmental Services Department
Manager Financial Operations
Manager of Financial Services (Attn: P W – J. Aird)
Manager of Wastewater Treatment Plant
Financial Services Team Leader (Attn: P W - C. Messer)
Environmental Engineer (Attn: P Hagar)

<p>Approved</p> <p>Date: <u>Jan 30/11</u></p> <p>28 (1) - Personal Information</p> <p></p> <p>General Manager of Public Works</p>
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