

December 7, 2017

To: Members
Public Works and Infrastructure Committee

Re: RFP #2970 - Value Increase for Engineering Services for Residential Road Renewal Program

RECOMMENDATION

That this report be forwarded to the December 18, 2017 meeting of City Council for information.

CONCLUSION

On September 13, 2016, the City of Regina (City) awarded Associated Engineering (Sask.) Ltd. (AE) the contract to provide professional engineering services for the Residential Road Renewal Program, Package #2, for a total of \$422,143 excluding applicable taxes plus a contingency of \$50,000. The scope of the work included site investigation, preliminary and detailed design for the rehabilitation of road, curb and gutter and sidewalk structures, tendering and construction management for the projects within this package.

As the design phase of the project progressed, it was determined that additional design and construction services would be required in order to provide a consistent level of service to residential roads. This required a scope change from AE due to the additional data collection, redesign and survey work associated with this change.

To support required scope changes, the costs associated with engineering services also required an increase from the original fee of \$472,143 to \$564,389 (excluding taxes), this was approved by the Executive Director of Transportation and Utilities on October 6, 2017. AE's overall fees remain reasonable and in line with construction projects of similar size and complexity.

As per the City's Purchasing Policy, *Purchasing Procedure Manual - Appendix A, Purchasing Methods, page A-13*, if the amendment to a contract for consulting or professional services increases the value of the contract in excess of \$500,000, an informational report must be taken to Council to describe the circumstances for the increase by the Executive Director.

BACKGROUND

The long term Residential Road Renewal Program (RRRP) was established in 2014 and is funded by an additional one per cent dedicated mill rate increase and 25 per cent from the Street Infrastructure Renewal Program. Allocation of this fund is based on analysis that determines the

most effective and efficient delivery of the program to gradually improve the condition of our residential roadways in the most responsible and long-lasting way.

Locations for this program are selected each year by the City of Regina's Roadways Preservation Branch for rehabilitation under the RRRP. 36 locations were identified for rehabilitation for the RRRP - Package #2.

The scope of work for these locations consists of the following:

- localized repair and/or reconstruction of surface works such as sidewalks, curbs, curbs and gutter and landscaping where required; and
- repair and/or reconstruction of underground services such as catch basins, man-holes and grates adjacent to the impacted surface works.

DISCUSSION

Through a public notification process, as per the City Purchasing Policy, Request for Proposal #2970 (RFP) was posted to SaskTenders on June 25, 2016, to request proposals from qualified firms to provide engineering services to meet the goals of the RRRP.

A selection committee was formed to review the submitted RFP's and their recommendation was that AE be awarded this contract.

The work leading up to construction for RRRP - Package #2 has involved a significant amount of collaboration and discussion. Options and thresholds have been reviewed and tested for efficiency and cost effectiveness.

As design phase of the project progressed, it was determined that additional design work was required to improve roadways drainage and construction services, in order to provide a consistent level of service to residential roads. This required a scope change from AE due to the additional data collection, redesign and survey work associated with this change.

To this end, the Consultant, AE, requested an increase in fees in the amount of \$92,245.48 plus applicable taxes, to cover the additional work required to deliver the Program. The engineering services upset fee for AE is currently at \$564,388 (excluding taxes) based on the following:

Original Engineering Services fee	\$422,143.90
Contingency fee	50,000.00
Additional design and field inspection fee	\$92,245.48
Total Engineering Services fee (excluding taxes)	\$564,388.38

The approval memo to increase the value of the contract from to \$472,143.90, including contingency fees, to \$564,388.48 to provide engineering services for Package #2 of the RRRP to

AE was signed by Executive Director of Transportation and Utilities on October 6, 2017.

As per the City's Purchasing Policy, if the amendment to a contract for consulting or professional services increases the value of the contract in excess of \$500,000, an informational report must be taken to Council to describe the circumstances for the increase.

RECOMMENDATION IMPLICATIONS

Financial Implications

The original engineering services upset fee was \$472,143.90 (excluding taxes). This amount was increased to \$564,389.48 following acceptance of Scope Change #1. There is funding available in the RRRP accounts to cover this increase in fees.

Environmental Implications

There is a positive environmental impact caused by the replacement of deteriorated infrastructure. Well-maintained roads help to reduce fuel consumption and wear on vehicles. Fuel consumption directly impacts the emission of greenhouse gases.

Policy and/or Strategic Implications

The recommended strategy, including a dedicated mill rate allocation, is consistent with the Community Priority of *Long Term Financial Viability*, as outlined in *Design Regina: The Official Community Plan Bylaw No. 2013-48*, (OCP) and consistent with the corporate strategic plan, as it relates to asset management.

Therefore, increased scope of work such as replacement of sidewalks without curbing to sidewalks with curbing, provides an extended life cycle and will improve the residential road infrastructure condition to a level and quality that is sustainable.

Other Implications

An improved residential road network will provide residents in these areas with improved quality of life, due to reductions in frustration, travel delays, fuel consumption and vehicle repairs/maintenance.

COMMUNICATIONS

Residents receive communications about RRRP work taking place on their street and the information is available on the City of Regina website.

DELEGATED AUTHORITY

Pursuant to *Page A-13, Appendix A, Purchasing Methods, Purchasing Procedures Manual*, an informational report must be provided to City Council.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'N. Kyle', written in a cursive style.

Norman Kyle, Director
Roadways and Transportation

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Karen Gasmo', written in a cursive style.

Karen Gasmo, P.Eng., Executive Director
Transportation and Utilities

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