

April 9, 2015

To: Members
Public Works and Infrastructure Committee

Re: Water Master Plan - Award RFP

RECOMMENDATION

1. That City Council approve the transfer of \$150,000 from the General Utility Reserve to Capital Account U4023 to bring the budget for the Water Master Plan from \$500,000 to \$650,000.
2. That City Council approve the award of a Request for Proposals (RFP) for professional engineering services to the highest ranked proponent, AECOM, for the Water Master Plan at a cost of \$615,255.
3. That this report be forwarded to the April 27, 2015 meeting of City Council for approval.

CONCLUSION

The City of Regina (City) initiated a public procurement process to engage engineering services for the Water Master Plan on October 6, 2014. At the time of issuing the RFP, the City estimated the scope of work to cost less than \$500,000. Therefore, with anticipated fees less than \$500,000, City Council approval was not required to issue the RFP in accordance with *The Regina Administration Bylaw No. 2003-69*.

On November 05, 2014, the City received proposals for the engagement of consulting and professional engineering services for the Water Master Plan. The Steering Committee selected AECOM, as the highest ranked proposal, to submit a Stage 2 proposal on the basis of criteria set out in the RFP. Pricing from the highest ranked proposals exceeded the City's estimate of \$500,000 and therefore, City Council approval is now needed in accordance with *The Regina Administration Bylaw No. 2003-69*.

Options to keep the professional engineering services below \$500,000 were reviewed. In order to keep the engineering commission below \$500,000 the services would not include some key areas of scope including developing business cases for the recommended upgrades, extending the Water Master Plan to a population beyond 300,000 to align with the OCP vision and, reviewing and providing recommended updates to Operation, Maintenance and Safety Procedures. The Administration recommends including this scope of work within the commission and as such, the fees will exceed \$500,000.

The Administration recommends transferring \$150,000 from the General Utility Reserve to Capital Account U4023, which is the account for the Water Master Plan. This transfer will bring the budget for the Water Master Plan to \$650,000.

BACKGROUND

The City's Long-Term Water Utility Study (LTUS) was last updated in 2006 and it is best practice to update the study/plan every 10 years. The Water Master Plan includes the LTUS update and will provide a comprehensive assessment of water treatment and distribution systems, and analyse the impacts of the recommended upgrades on the water utility. A Water Master Plan is a long-term water utility infrastructure plan that ensures a reliable, cost-effective supply and distribution of treated water to meet present and future needs.

The City does not have a documented minimum level of service for the Water Utility to serve as a planning and operations benchmark. A Water Master Plan is required to establish a level of service, review and recommend upgrades to the existing system to maintain that level of service, provide a plan to reduce risk and vulnerability, and accommodate growth as described in Design Regina: The Official Community Plan (OCP).

DISCUSSION

A Water Master Plan is an official document that will complement the OCP and will guide the Utility in the development of a sustainable Water Capital Plan. This is accomplished by providing a timely servicing plan to support growth in the city, all while maintaining a predefined level of service within the existing system.

A key component of the Water Master Plan is to review and analyse the water system as a complete system and generate a new multi-year Capital Plan that reduces risk and allows sustainable growth that meets financial, operational and regulatory requirements. The Water Master Plan will guide the City for current and future infrastructure requirements for its growing population while managing its assets and investments in a sound environmental, social and economic fashion. This key metric will guide the development of a capital upgrade plan to maintain and improve the level of service and reduce risk and vulnerabilities. The capital plan will follow the growth patterns and policies outlined in the OCP to ensure adherence to the City's Vision and Community Priorities.

Key elements of the water master plan will include:

- Developing a Level of Service;
- Developing a Capital Upgrade Plan for a population of over 300,000;
- Performing a Water System Review and updating the Water Conservation Plan;
- Updating the Emergency Response Plan;
- Updating the Water Demand Model;
- Reviewing the official growth plan and population servicing needs presented in the OCP;
- Developing an infrastructure renewal plan based on sound asset management principles;
- Identifying and collaborating with key stakeholders;
- Developing solution options and recommending a preferred alternative; and
- Incorporating preferred solution(s) into the Utility and Service Agreement Fee (SAF) models.

The City initiated a public procurement process to engage engineering services for the Water Master Plan on October 6, 2014. At the time of issuing the RFP, the City estimated the scope of work to cost less than \$500,000. With anticipated fees less than \$500,000, City Council approval was not required to issue the RFP in accordance with *The Regina Administration Bylaw No. 2003-69*. On November 05, 2014, the City received proposals for the engagement of consulting and professional engineering services for the Water Master Plan. The Steering Committee selected AECOM, as the highest ranked proposal, to submit a Stage 2 proposal on the basis of criteria set out in the RFP.

The qualification based selection criteria as set out in the RFP includes:

1. Qualification and experience of key personnel in all disciplines;
2. General understanding of the project scope, objectives and the proposed methodology or approach;
3. Corporate qualifications and qualifications of key personnel;
4. Performance on other City of Regina assignments;
5. Proposed methods of communication with the City; and
6. Consulting team's per diem fees for all key team members including sub consultants.

Pricing from the highest ranked proposal from AECOM exceeded the City's estimate of \$500,000 and therefore, City Council approval is now needed in accordance with *The Regina Administration Bylaw No. 2003-69*. Options to keep the professional engineering services below \$500,000 were reviewed. In order to keep the commission below \$500,000, the services would not include some key areas of scope including developing business cases for the recommended upgrades, extending the Water Master Plan to a population beyond 300,000 to align with the OCP vision and, reviewing and providing recommended updates to Operation, Maintenance and Safety Procedures. The Administration recommends including this scope of work within the commission and as such the fees will exceed \$500,000.

RECOMMENDATION IMPLICATIONS

Financial Implications

Funding in the amount of \$500,000 was approved for this project in the Utility Capital Budget. An additional \$150,000 is requested, from the Utility Reserve, to allow the project to meet the predefined objectives.

Consulting engineering fees are now expected to exceed \$500,000 for this commission, and therefore, Council's authority is being sought to approve the expenditure in excess of \$500,000 for professional and consulting engineering services for the Water Master Plan as such approval is required by *The Regina Administration Bylaw No. 2003-69*.

The projected 2015 year-end balance in the General Utility Reserve is \$56.7 million and includes \$1.6 million that was returned in December 2014 from other capital projects that experienced cost savings. Proceeding with this initiative would offset this transfer and have a minimal effect on the balance in the reserve.

Environmental Implications

None with respect to this report.

Policy and/or Strategic Implications

The completed Water Master Plan would help achieve the City's Strategic Objectives by supporting the goals of:

- Optimizing existing infrastructure; and
- Providing reliable, environmentally sound and sustainable infrastructure solutions.

Other Implications

None with respect to this report.

Accessibility Implications

None with respect to this report.

COMMUNICATIONS

None with respect to this report.

DELEGATED AUTHORITY

The recommendations contained in this report require City Council approval.

Respectfully submitted,

A blue ink signature, likely of Pat Wilson, consisting of a stylized 'P' followed by a horizontal line.

Pat Wilson, Director
Water Works

Respectfully submitted,

A blue ink signature, likely of Karen Gasmu, written in a cursive style.

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

Report prepared by:
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AA/KD/cp