



DATE: February 22, 2012

MEMO TO: ENGLISHMAN RIVER WATER SERVICE MANAGEMENT BOARD

FROM: ENGLISHMAN RIVER WATER SERVICE
MANAGEMENT COMMITTEE

SUBJECT: CONSULTANT SELECTION FOR PHASE 2

PURPOSE:

To engage Associated Engineering to proceed with additional engineering services for Phase 2 works relating to further Aquifer Storage and Recovery (ASR) investigation and to direct staff to proceed with additional capital works to fully assess the feasibility of ASR within the region.

EXECUTIVE SUMMARY:

Phase 2, which includes ASR investigation and treatment pilot testing is underway and on schedule. Associated Engineering was selected to continue on with this phase, as these tasks were envisioned when this firm was originally selected utilizing a qualifications-based selection process. Prior to the Englishman River Water Service (ERWS) receiving the \$1.3 million dollar federal Gas Tax Grant, it was decided to limit the ASR scope of work based on available resources and budgets at the time to approximately 16% of the required investigation and to defer additional required research to future budget discussions. With the announcement of the \$1.3 million grant on December 19, 2011, it will allow further resources and money to complete a full scale ASR investigation in a timely manner in accordance with the implementation plan.

REFERENCE:

- AWS Management Board Meeting Minutes held on June 23, 2011
- ERWS 2011 Budget and 2012-2016 Financial Plan Report – dated November 9, 2012

BACKGROUND:

On June 23, 2011, the AWS Management Board authorized engaging the services of Associated Engineering (BC) Ltd. for Phase 2 services, subject to award of and funding for a professional services contract approved by the AWS Management Board. Based on available budget and the uncertainty of obtaining a grant for the additional ASR investigations, it was determined at the time of engaging Associated Engineering for Phase 2 services to reduce the scope of work required for the Phase 2 - ASR investigation. It was noted at the time that this level of effort was

only 16 % of the recommended work to do a thorough investigation and that future project phases must have greater budgets established in an effort to properly determine the feasibility of ASR. On November 9, 2011 the ERWS Management Board approved the 2012 – 2016 Financial Plan and directed staff to work with and engage Associated Engineering (BC) Ltd. to complete Phase 2 works at a cost of \$560,000. On December 19, 2011 it was officially announced that the ERWS was a successful recipient of receiving a \$1.3 Million grant from the Federal Gas Tax Fund to fully research and investigate the feasibility of ASR within the region.

In order to complete a full scale ASR investigation the associated additional consulting and capital fees are as follows:

- Additional full scale ASR consulting fees = \$228,943 (Associated Engineering (BC)Ltd. Team)
- Additional full scale capital work fees = \$850,000

For additional works of this magnitude, retaining qualified engineering consultants is required. It has been previously agreed that the process of engaging engineering consultants will be managed by the City of Parksville in accordance with the City's Purchasing Policy, as may be amended from time to time. Such policy is consistent with the generally-accepted municipal government financing models.

The additional full scale capital works for this detailed assessment will also require staff to manage the design, tendering and construction of capital works to assist in the Phase 2 investigation. These works include constructing test wells, monitoring wells, pump cycle tests, supplying a temporary water connection, constructing infiltration galleries and back-flushing basins, surveying and supplying well equipment, piping and power.

Initially, terms of reference, schedule and fees were developed which included many of the tasks required for Phase 2 but for financial reasons and limited resources, it was decided to reduce the scope of work for Phase 2 ASR investigation to approximately 16% of the required work. The Gas Tax grant will now allow a full scale ASR investigation to continue and help complete this project in a timely manner.

OPTIONS:

1. Accept the budget fee proposal of an additional \$228,943 from Associated Engineering for the Phase 2 – ASR full scale work plan.
2. Direct staff to receive additional engineering service fee proposal from other qualified engineering firms.

DISCUSSION:

Option 1 - Proceeding expediently with the next phases of the Capital Plan is required in order to meet the 2015 construction start milestone. The ERWS has already gone through a qualification-based competitive selection process which led to the now completed Phase 1 services by Associated Engineering. Based on the urgency of commencing Phase 2, the fact that Phase 2 services were considered at the time that Associated Engineering was originally selected, and their satisfactory performance on Phase 1, the ERWS Management Committee is recommending that the ERWS Management Board authorize engaging Associated Engineering to proceed with the additional full scale ASR investigations for Phase 2.

The ERWS Management Board could reject the engineering fee proposal from Associated Engineering (BC) Ltd. This would further delay the project and potentially result in higher engineering fees. Since Phase 2 is on the critical path, delaying Phase 2 may result in delaying construction and commissioning of the project.

INTERGOVERNMENTAL IMPLICATIONS:

At the November 9, 2011 meeting, the ERWS Management Committee agreed unanimously to engage the Associated Engineering consulting team to complete Phase 2.

FINANCIAL IMPLICATIONS:

There are no direct fiscal impacts to ERWS should the proposed recommendations be approved.

RECOMMENDATIONS:

THAT the ERWS Management Board authorize staff to engage Associated Engineering (BC) Ltd. to complete the additional full scale ASR investigation for an additional \$298, 943.

AND THAT staff be directed to manage the additional capital work projects required to complete a full scale ASR investigation within the 2012 – 2016 Financial Plan allocated budgets.