

TO:	CHAIR AND MEMBERS CIVIC WORKS COMMITTEE MEETING ON NOVEMBER 29, 2016
FROM:	KELLY SCHERR, P. ENG., MBA, FEC MANAGING DIRECTOR, ENVIRONMENTAL AND ENGINEERING SERVICES & CITY ENGINEER
SUBJECT:	ENGINEERING FEES CONTRACT AMENDMENT: WICKERSON PUMPING STATION UPGRADES PROJECT No. EW3653

RECOMMENDATION

That, on the recommendation of the Managing Director, Environmental and Engineering Services & City Engineer, the following actions **BE TAKEN** with respect to increasing the engineering fees for the Wickerson Pumping Station Upgrades Project (EW3653):

- (a) The detailed design and contract administration fees for Stantec Consulting Ltd., 600 – 171 Queens Avenue, London, Ontario, N6A 5J7, **BE INCREASED** by \$35,000 from \$92,717 to a revised total of \$127,717 (excluding H.S.T.), in accordance with Section 15.1 (c) of the City of London’s Procurement of Goods and Services Policy;
- (b) The financing for this project **BE APPROVED** as set out in the Sources of Financing Report attached hereto as Appendix "A";
- (c) The consulting fees for the project **BE IN ACCORDANCE** with the estimate, on file, which are based upon the Fee Guideline for the Professional Engineering Services, recommended by the Ontario Society of Professional Engineers;
- (d) The Civic Administration **BE AUTHORIZED** to undertake all the administrative acts that are necessary in connection with this project;
- (e) The Mayor and City Clerk **BE AUTHORIZED** to execute any contract or other documents, if required, to give effect to these recommendations.

It being noted that this is a growth related project and is primarily funded from Development Charges and adequate funds are available in the project budget.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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- [Appointment of Consulting Engineer Detailed Design of the Wickerson Road Water Pumping Station Upgrade - EW3653 - Civic Works Committee Meeting on January 17, 2011, Agenda Item #4](#)
- [Wickerson Pumping Station Upgrades Additional Funding - EW3653 - Civic Works Committee Meeting on June 8, 2016, Agenda Item #7](#)

BACKGROUND

Purpose:

This report recommends an increase in consulting fees in order to complete contract administration services for the pumping station upgrades.

Discussion:

The Wickerson Pumping Station was constructed in 2004. In 2011, Stantec was retained by the City to undertake the design work for upgrading the pumping station to accommodate growth in the Wickerson service area including Wickerson Heights, Riverbend South and Warbler Woods. Stantec has completed the detailed design of the pumping station for the upgrade. Consulting fees for the pumping station upgrades were initially awarded at a value of \$52,800 for the detailed design work.

Complex projects of this nature are often undertaken in two stages, equipment pre-selection and the main construction contract. Major mechanical equipment may be selected in advance of completion of the final design and tendering of the construction contract for one or more of the following reasons:

- To provide equipment having the lowest life cycle cost versus the lowest purchase cost.
- To provide adequate lead time for exceptionally long delivery equipment whereas the construction contract may be relatively short duration.
- To provide dimensional and loading (weight) information for large pieces of equipment which may influence the final design of the building/structure.

Once the equipment is selected in discussion with City staff and our project Consultant, the equipment supplier is named and then specified, along with a firm price for the equipment, in the tender form of the main construction contract. Once the general contractor is selected through the tender process, they are obligated to purchase the equipment from the named supplier at the stated price. In this particular situation the equipment and supplier were selected in the fall of 2015 and the construction contract was tendered in December, 2015.

In January, 2016, engineering fees were increased administratively from \$52,800 by \$39,917 to \$92,717 to include construction administration services. Throughout the first few months of 2016, our Consultant was attempting to acquire information from the pump supplier to confirm the pump order. At some point, it became evident that pre-selected supplier did not have the support of the manufacturer and may not have been or had recently lost their designation as an authorized supplier which affected the quality of their submission. In addition, the warranty submitted from the pump manufacturer did not apply to the pumps that were selected. In discussions with the supplier it was agreed that they would withdraw their submission and the pre-selection would be cancelled after consultation with the City's Purchasing and Supply & Legal Departments.

Given the urgency of the project, the low construction contract bidder was engaged in problem solving discussions and awarded the construction contract administratively in April, 2016, with the understanding that they would purchase the specified pumps from an authorized supplier who also participated in the pre-selection process and maintain the price offered by them at that time. The price differential between the original supplier and the authorized supplier was \$60,147. In June, 2016, \$80,000 was awarded by council to cover the additional cost of the pumps as well as retain the projects contingency.

Stantec spent approximately three months working with the original pump supplier reviewing shop drawings and discussing project details prior to discovering that they would not be able to provide the pumps as specified in the contract documents. As a result of dismissing the original pump supplier, Stantec was required to undertake these tasks and discussions again with the new pump supplier. In order to maintain consultant oversight for the remaining construction administration services, additional funds are required. The requested amount of money in this report is consistent with Stantec's fee estimate, which is based upon the Ontario Society of Professional Engineer's Fee Guideline for Professional Engineering Services.

Conclusions:

It is recommended that an increase in Stantec's contract administration fees, in the amount of \$35,000, bringing the total fees for this project to \$127,717, be authorized to allow for the completion of the project with appropriate consultant oversight. The use of Stantec is in the best financial and technical interests of the City.

PREPARED BY:	REVIEWED & CONCURRED BY:
KEVIN GRAHAM ENGINEER-IN-TRAINING WATER ENGINEERING	JOHN LUCAS, P. ENG. DIRECTOR, WATER AND WASTEWATER
RECOMMENDED BY:	
KELLY SCHERR, P.ENG., MBA, FEC MANAGING DIRECTOR, ENVIRONMENTAL & ENGINEERING SERVICES & CITY ENGINEER	

November 14, 2016

Attach: Appendix "A" – Sources of Financing
CC. Stantec Consulting Ltd.
John Freeman – Manager, Purchasing & Supply