

Report to Civic Works Committee

To: Chair and Members
Civic Works Committee

From: Kelly Scherr, P.Eng., MBA, FEC
Deputy City Manager, Environment and Infrastructure

Subject: Appointment of Consulting Engineer for Wastewater
Treatment Plant Condition Assessment and Asset Valuation

Date: August 31, 2021

Recommendation

That, on the recommendation of the Deputy City Manager, Environment and Infrastructure, the following actions **BE TAKEN** with respect to the Appointment of Consulting Engineer for the Condition Assessment and Asset Valuation of the City's Wastewater Treatment Plants:

- a) AECOM Canada Ltd. **BE APPOINTED** Consulting Engineers to complete the condition assessment, asset valuation and capital renewal forecasting assignment for the City's wastewater treatment plants, in the total amount of \$291,163.00, including contingency, excluding HST;
- b) the financing for this project **BE APPROVED** as set out in the Sources of Financing Report attached, hereto, as Appendix 'A'.
- c) the Civic Administration **BE AUTHORIZED** to undertake all the administrative acts that are necessary in connection with this work;
- d) the approvals given, herein, **BE CONDITIONAL** upon the Corporation entering into a formal contract with the consultant for the project; and,
- e) the Mayor and the City Clerk **BE AUTHORIZED** to execute any contract or other documents, if required, to give effect to these recommendations.

Executive Summary

Purpose

This report recommends the appointment of AECOM Canada Ltd. to provide consulting engineering services for the condition assessment and asset valuation of each of the City of London's five wastewater treatment plants.

Context

The 2019 Corporate Asset Management Plan City identifies that the City's wastewater treatment facilities, including plants and pumping stations, have a replacement value of over \$1 billion with a projected annual infrastructure gap of \$13 million. The City of London recognizes the importance and necessity of asset management planning. The proposed work to conduct a condition assessment and asset valuation of the City's wastewater treatment plants will provide essential information to support the City's Corporate Asset Management program, as well as meeting the requirements of Ontario Regulation 588/17 – Asset Management Planning for Municipal Infrastructure, under the Infrastructure for Jobs and Prosperity Act, 2015, which came into force on January 1, 2018.

Linkage to the Corporate Strategic Plan

This recommendation supports the following 2019-2023 Strategic Plan areas of focus:

- Leading in Public Service:
 - Trusted, open, and accountable in service of our community;
 - Exceptional and valued customer service; and

- Leader in public service as an employer, a steward of public funds, and an innovator of service.
- Building a Sustainable City:
 - London's infrastructure is built, maintained, and operated to meet the long-term needs of our community.

Analysis

1.0 Background Information

1.1 Previous Reports Related to this Matter

Corporate Services Committee – July 26, 2021 – Corporate Asset Management Plan 2021 Review

Corporate Services Committee – September 8, 2020 – Corporate Asset Management Plan 2020 Review

Civic Works Committee – September 24, 2019 – Wastewater Treatment Operations Environmental Assessment Master Plan Study Initiation

Strategic Priorities and Policy Committee – August 26, 2019 – 2019 Corporate Asset Management Plan

Strategic Priorities and Policy Committee – April 8, 2019 – Corporate Asset Management Policy

2.0 Discussion and Considerations

2.1 Work Description

The City of London's Corporate Asset Management Plan describes current asset management practices and plans to secure the service of reliable infrastructure in the future and is required under Ontario Regulation (O.Reg 588/17): Asset Management Planning for Municipal Infrastructure. The work contemplated involves field surveys of the City's five wastewater treatment plants to assess the age and condition of the City's assets. The final deliverable is a report detailing the finding of the field work and identifying projected replacement timelines and cost.

This work enhances the current City practices for asset management by providing greater resolution for capital planning efforts, ensuring that the reported infrastructure gap more closely reflects the actual needs of London's Wastewater Treatment System. Because of the complexity of the wastewater facilities, this is a significant undertaking that will span into late 2022. Project delivery timelines are expected to align with provincial reporting requirements.

2.2 Procurement Process

An open procurement process was used to select the recommended consultant through a competitive Request for Proposal (RFP) process. This is in accordance with Section 15.2 (d) of the Procurement of Goods and Services Policy.

The evaluation of the proposals included both a technical and a cost component. The consultant was selected based on their methodology, approach, knowledge and understanding of project goals, their experience on directly related projects, project team members' qualifications and capacity, their implementation strategy and schedule, as well as cost.

3.0 Financial Impact/Considerations

3.1 Consulting Engineering Services

Three firms responded and submitted proposals for consulting engineering services associated with the wastewater treatment plant condition assessment, asset valuation and capital renewal forecasting assignment. The City's evaluation team determined that the proposal provided by AECOM Canada Ltd. provided the best overall value in the undertaking of this assignment.

AECOM's fees were the lowest of the successful proposals and were within the budget for the project. Overall, their proposal met all the key project requirements, and their staff are qualified to undertake the required engineering services.

AECOM Canada Ltd. submitted a proposal for \$291,163.00, which includes contingency (\$26,469.00), excluding HST.

In accordance with Section 15.2 (d) of the City of London's Procurement of Goods and Services Policy, civic administration is recommending that AECOM Canada Ltd. be awarded a contract to carry out this wastewater treatment plant condition assessment and asset valuation assignment.

Conclusion

AECOM Canada Ltd. have a demonstrated competence with condition assessments of municipal wastewater treatment infrastructure and have significant knowledge of the City's wastewater treatment plants. They submitted the highest value proposal in a competitive procurement process. It is recommended that AECOM Canada Ltd. be appointed the consulting engineers for this wastewater treatment plant condition assessment and asset valuation assignment, as it is in the best financial and technical interests of the City.

Prepared by: Kirby Oudekerk P.Eng.,
Division Manager, Wastewater Treatment Operations

Submitted by: Scott Mathers, MPA, P.Eng.,
Director, Water, Wastewater and Stormwater

Recommended by: Kelly Scherr, P. Eng., MBA, FEC
Deputy City Manager, Environment and Infrastructure

cc: Marcy McKillop, Environmental Services Engineer, Wastewater Treatment Operations
John Freeman, Manager III, Purchasing and Supply
Alan Dunbar, Manager III, Financial Planning and Policy
Zeina Nsair, Financial Business Administrator, Finance and Corporate Services
Geoff Smith, Procurement Officer

Appendix 'A' – Sources of Financing

Appendix "A"

#21145

August 31, 2021

(Appoint Consulting Engineers)

Chair and Members

Civic Works Committee

RE: Wastewater Treatment Plant Condition Assessment and Asset Valuation

(Subledger NT21ES15)

Capital Project ES5419 - Sewer System Asset Management Program

AECOM Canada Ltd. - \$291,163.00 (excluding HST)

Finance Supports Report on the Sources of Financing:

Finance Supports confirms that the cost of this project can be accommodated within the financing available for it in the Capital Budget and that, subject to the approval of the Deputy City Manager, Environment and Infrastructure, the detailed source of financing is:

Estimated Expenditures	Approved Budget	Committed To Date	This Submission	Balance for Future Work
Engineering	2,004,107	1,707,820	296,287	0
Construction	16,352	16,352	0	0
City Related Expenses	100,000	94,459	0	5,541
Computer Equipment	641,941	82,789	0	559,152
Total Expenditures	\$2,762,400	\$1,901,420	\$296,287	\$564,693

Sources of Financing

Capital Sewer Rates	1,182,400	1,182,400	0	0
Drawdown from Sewage Works Renewal Reserve Fund	1,580,000	719,020	296,287	564,693
Total Financing	\$2,762,400	\$1,901,420	\$296,287	\$564,693

Financial Note:

Contract Price	\$291,163
Add: HST @13%	37,851
Total Contract Price Including Taxes	329,014
Less: HST Rebate	-32,727
Net Contract Price	\$296,287

Jason Davies
Manager of Financial Planning & Policy

jg