

Report to Council

To: Waterworks Committee (New Business)

From: Administration

File #: DOP-CC-15

Date: August 10, 2015

Re: Assistance for PPP Business Case Analysis

ISSUES FOR DISCUSSION:

To amend the scope of the contract with AECOM Engineering to include:

- 1) The provision of assistance to the City of Portage la Prairie during the P3 Canada business case analysis; and
- 2) Consultation services with industry on an as needed basis; and

Further, to approve AECOM Engineering as the Owner Advocate/ Technical Advisor, if the P3 model is implemented for this project.

ALTERNATIVES:

- 1) Do not amend the scope of the contract.
- 2) Amend the scope of the contract.

BACKGROUND / ANALYSIS:

AECOM Engineering was awarded the contract to provide the preliminary and functional design, and environmental impact assessment for the expansion of the Water Pollution Control Facility that is required to meet the wastewater effluent nutrient limits as determined by Manitoba Conservation. As of May 2015, the preliminary design report and final draft functional design report are completed.

On June 9, 2015, Council approved the proposal from Ernst & Young Orenda Corporate Financial Inc. to provide a financial and business case assessment of the nutrient reduction project, as required by P3 Canada. This assessment will require an extensive review of the functional design report that AECOM submitted. AECOM has provided a proposal of costs to include the provision of technical and engineering support during the business case analysis, on an as needed basis. The cost estimate of \$22,300 allows for approximately 130 hours of input by the lead engineers on the Nutrient Reduction project.

P3 Canada has also indicated that a technical advisor will be required should the P3 funding model be approved. This advisor would assist the City of Portage la Prairie with the preparation of technical documents for the bidding process as well as throughout the construction phase of the project. AECOM has fulfilled this role in similar projects and have expressed their interest in continuing this role with the City of Portage la Prairie, should the P3 model proceed. AECOM

Engineering is asking for a commitment from the City of Portage la Prairie to retain AECOM for their services as Technical Advisor/ Owner Advocate. An attached letter from AECOM outlines the available services and outcomes that can be expected as well as terms of the contract. Due to their strong technical background of this project, AECOM Engineering would be the most beneficial company to engage for this role.

As the project proceeds, it is necessary to continue to engage the three industrial users of the facility in an effort to keep them apprised of the status of the project and solicit feedback regarding the Functional Design Report recommendations. AECOM Engineering may be requested to provide technical assistance during these discussions. Although specific task details have not yet been determined, it is recommended that a maximum budget be authorized, to be used on an as needed basis. AECOM has proposed that \$11,650 would be sufficient to complete this task.

Administrative Recommendation:

That the Council of the City of Portage la Prairie approve the change of scope of the original contract with AECOM Engineering to include assistance during the P3 business case analysis and to approve funding of this service up to \$22,300.00 plus GST.

That the Council of the City of Portage la Prairie amend the change of scope of the original contract with AECOM Engineering to include consultation with industry up to \$11,650.00 plus GST.

That the Council of the City of Portage la Prairie enter into an agreement in principle with AECOM Engineering as the Owner Advocate/ Technical Advisor, should the P3 project be approved.