

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF DECEMBER 10, 2013

Item 2, Report No. 52, of the Committee of the Whole, which was adopted without amendment by the Council of the City of Vaughan on December 10, 2013.

**2 CONTRACT EXTENSION - PROFESSIONAL SERVICES FOR GEOTECHNICAL
 INVESTIGATION AND MATERIAL TESTING (RFP12-074)
 ALL WARDS**

The Committee of the Whole recommends approval of the recommendation contained in the following report of the Commissioner of Engineering and Public Works and the Director of Engineering Services, dated November 26, 2013:

Recommendation

The Commissioner of Engineering and Public Works and the Director of Engineering Services in consultation with the Director of Purchasing Services and the Acting Commissioner of Finance recommends:

1. That the option to extend the professional services assignment for geotechnical investigation and material testing (RFP12-074) with LVM Inc. for an additional year, from January 1, 2014, to December 31, 2014, be approved;
2. That the award amount for LVM Inc. be increased and approved to a total \$210,000.00, plus applicable taxes, based on the revised estimated quantity of works for year 2014, at the originally quoted unit prices;
3. That a contingency allowance in the total amount of \$21,000.00 be approved, within which the Commissioner of Engineering and Public Works or his designate is authorized to approve amendments to the contract; and

Contribution to Sustainability

An integral part of a sustainable city is effective asset management. Through infrastructure investments, the risk of failure is reduced and system reliability improved, providing optimal service to citizens. The proposed geotechnical investigation improves scope definition on infrastructure projects, whereas material testing is an essential component of quality control during construction. The proposed infrastructure projects will maximize the return on the City's capital and operating investments.

Economic Impact

The total cost of \$242,200.00 for the professional services for the optional extension year, which includes a contingency allowance, administration recovery and applicable taxes, will be allocated to associated capital projects as expenses are incurred. Funding for this activity has been incorporated within these project budgets and therefore there is no additional economic impact associated with this contract extension.

Communications Plan

Not applicable at this time.

Purpose

To obtain approval to proceed with an increase to the award amount for the 2014 optional extension year to LVM Inc. for geotechnical investigation for preliminary engineering and material testing services during construction, as detailed in the Terms of Reference of RFP12-074.

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Background - Analysis and Options

In 2012, Engineering Services initiated a request for proposal for professional services for geotechnical investigation and material testing to improve overall delivery of infrastructure projects

A core activity of the Engineering Services Department is the design and contract administration of infrastructure projects. Preliminary engineering, detail design and construction are the typical stages that a project follows. Geotechnical investigations undertaken during the preliminary engineering stage help mitigate the risk of potential design issues and assist in reducing additional costs during the overall project lifecycle.

During the construction stage, material testing services are part of quality control measures that ensure that the general contractor's work meets the City's standards and specifications and that they fulfill their contractual obligations.

Geotechnical investigations and material testing was routinely requested on an as-needed basis. In an effort to improve efficiencies, streamline processes, and reduce risks on infrastructure projects, an RFP for a geotechnical consultant on retainer was created. The time period selected for this assignment was a fixed first term in 2013 with an optional extension year for 2014.

On September 25, 2012, LVM Inc. was retained to provide professional services for geotechnical investigation and material testing for 2013

At its meeting on September 25, 2012, Council adopted, without amendment, the recommendation that LVM Inc. be retained to provide professional services for geotechnical investigation and material testing (RFP12-074) for the period ending December 31, 2013. The RFP included the option to extend the contract for an additional one year term for 2014.

The total cost for the first term of the assignment was \$150,000, plus applicable contingency allowance, administration recovery and applicable taxes. The costs of geotechnical services for all approved capital projects are subsequently recovered from the corresponding capital account.

To manage the increase in volume for the capital projects identified, an award increase will be required for the optional extension year

As historical data was limited when estimates for the total quantity of the geotechnical investigations and material testing RFP were determined, staff are now in a better position to analyze the extent of these professional services required based on work undertaken in 2013. In order to ensure the risk of potential design issues and additional costs during the project are mitigated, the total quantity of geotechnical work applied to the capital program in 2014 is expected to increase approximately forty percent based on the workplan estimates provided by LVM Inc., and the recently submitted projects (being considered as part of the 2014 Budget Deliberations. The increase in total value is strictly a result of an increase in geotechnical work volume; the scope of the assignment remains unchanged as do the unit rates being applied to the work.

Based on the work plan estimates and the projected increase in volume, an increase of \$60,000.00 for the optional extension year is required increasing the total value of the work to be carried out in 2014 to \$210,000.

Based on the quality of work provided by LVM Inc., it is recommended that the option for an additional year be exercised.

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To date LVM Inc. has performed well and has provided good value for the geotechnical investigation and material testing services to the City and is qualified to continue carrying out the work in 2014. As identified in the Economic Impact section of this report, all payments for geotechnical work are charged to the various applicable capital projects.

The total estimated cost for the optional extension year (2014) for professional engineering services, including all applicable taxes is \$242,200.00, and is calculated as follows:

LVM Inc. fee for optional extension year (excl. H.S.T.)	\$ 210,000.00
Contingency Amount (approx. 10%)	\$ 21,000.00
Sub-Total	\$ 231,000.00
H.S.T. (1.76%) (Not recoverable)	\$ 4,065.60
Total	\$ 235,065.60
Administration Recovery (3%)	\$ 7,051.97
Net Total Cost	\$ 242,117.57

Note: No budget is indicated as this cost will be accommodated within associated capital project budgets

ROUNDED \$ 242,200.00

Relationship to Vaughan Vision 2020/Strategic Plan

In consideration of the strategic priorities related to Vaughan Vision 2020, the recommendations of this report will assist in enhancing and maintaining community safety, health and wellness, by ensuring that the City's infrastructure provides appropriate levels of service to its citizens.

Regional Implications

Not Applicable.

Conclusion

It is recommended to proceed with the optional extension year for the professional engineering services contract for 2014, with an increase in funding in the total amount of \$242,200.00, including contingency, administration recovery and applicable taxes.

Attachments

None.

Report prepared by:

Frank Facchini, P. Eng., Project Manager, ext. 8986
Paolo Masaro, P. Eng., Manager (Acting), Design Services, ext. 8466

COMMITTEE OF THE WHOLE – NOVEMBER 26, 2013

CONTRACT EXTENSION - PROFESSIONAL SERVICES FOR GEOTECHNICAL INVESTIGATION AND MATERIAL TESTING (RFP12-074) ALL WARDS

Recommendation

The Commissioner of Engineering and Public Works and the Director of Engineering Services in consultation with the Director of Purchasing Services and the Acting Commissioner of Finance recommends:

1. That the option to extend the professional services assignment for geotechnical investigation and material testing (RFP12-074) with LVM Inc. for an additional year, from January 1, 2014, to December 31, 2014, be approved;
2. That the award amount for LVM Inc. be increased and approved to a total \$210,000.00, plus applicable taxes, based on the revised estimated quantity of works for year 2014, at the originally quoted unit prices;
3. That a contingency allowance in the total amount of \$21,000.00 be approved, within which the Commissioner of Engineering and Public Works or his designate is authorized to approve amendments to the contract; and

Contribution to Sustainability

An integral part of a sustainable city is effective asset management. Through infrastructure investments, the risk of failure is reduced and system reliability improved, providing optimal service to citizens. The proposed geotechnical investigation improves scope definition on infrastructure projects, whereas material testing is an essential component of quality control during construction. The proposed infrastructure projects will maximize the return on the City's capital and operating investments.

Economic Impact

The total cost of \$242,200.00 for the professional services for the optional extension year, which includes a contingency allowance, administration recovery and applicable taxes, will be allocated to associated capital projects as expenses are incurred. Funding for this activity has been incorporated within these project budgets and therefore there is no additional economic impact associated with this contract extension.

Communications Plan

Not applicable at this time.

Purpose

To obtain approval to proceed with an increase to the award amount for the 2014 optional extension year to LVM Inc. for geotechnical investigation for preliminary engineering and material testing services during construction, as detailed in the Terms of Reference of RFP12-074.

Background - Analysis and Options

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To manage the increase in volume for the capital projects identified, an award increase will be required for the optional extension year

As historical data was limited when estimates for the total quantity of the geotechnical investigations and material testing RFP were determined, staff are now in a better position to analyze the extent of these professional services required based on work undertaken in 2013. In order to ensure the risk of potential design issues and additional costs during the project are mitigated, the total quantity of geotechnical work applied to the capital program in 2014 is expected to increase approximately forty percent based on the workplan estimates provided by LVM Inc., and the recently submitted projects (being considered as part of the 2014 Budget Deliberations. The increase in total value is strictly a result of an increase in geotechnical work volume; the scope of the assignment remains unchanged as do the unit rates being applied to the work.

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Based on the quality of work provided by LVM Inc., it is recommended that the option for an additional year be exercised.

To date LVM Inc. has performed well and has provided good value for the geotechnical investigation and material testing services to the City and is qualified to continue carrying out the

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Regional Implications

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Conclusion

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Attachments

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Report prepared by:

Frank Facchini, P. Eng., Project Manager, ext. 8986
Paolo Masaro, P. Eng., Manager (Acting), Design Services, ext. 8466

Respectfully submitted,

Paul Jankowski, P. Eng.
Commissioner of Engineering and Public Works

Jack Graziosi, P. Eng.
Director of Engineering Services

PM:mc