



# REPORT

To: Chair and Directors

Report Number: ENV-BRD-049

From: Kari Bondaroff, Environmental Services Manager

Date: April 15, 2021

**Subject: Charlie Lake Wastewater 2021-2026 Operations Contract Award****RECOMMENDATION: [Corporate Weighted]**

That the Regional Board award RFP 03-2021 "Charlie Lake Wastewater System Services Agreement," to Aquatech Canadian Water Services Inc. for operation of the Charlie Lake Wastewater System at a total cost of \$3,084,080 (excl. GST), for a 5-year term beginning December 1, 2021; further, that the Chair and Chief Administrative Officer be authorized to sign the agreement on behalf of the Peace River Regional District.

**BACKGROUND/RATIONALE:**

The Charlie Lake Wastewater System Services Agreement is a contract to operate the Charlie Lake Waste Water Service<sup>1</sup>. Aquatech Canadian Water Services Inc. (Aquatech) was the sole bidder for this request for proposals (RFP). Table 1 outlines the submission scoring and confirms that all mandatory requirements were met.

Table 1. Scoring Matrix Results and Mandatory Submission Requirements

Mandatory Requirements	
Submission Form (Appendix B)	✓
Pricing (Appendix C)	✓
Level II Waste Water Certification	✓
Scoring Matrix Results	
Total Score	92.67

While the proposal met all requirements, it should also be noted that Aquatech has offered exemplary service throughout its initial six year term operating the Charlie Lake Waste Water Service. Customer relations, detailed planning for operations, and maintenance of PRRD assets, communication with PRRD staff and contractors, compliance with regulations and applicable permitting, and quick response to emergency situations are all examples of qualities that warrant further service extension of the contract.

<sup>1</sup> Governs operation of the Charlie Lake Collection System, the Trucked Waste Facility, and the Treatment and Disposal Systems.

Based on the proposal as well as the professional level of service shown by the Aquatech team to operate the Charlie Lake Waste Water Facilities in their entirety, staff recommends award of Contract #03-2021 to Aquatech for the available 5 year term starting December 1, 2021, with an optional one-year extension.

### ALTERNATIVE OPTIONS:

1. That the Regional Board provide further direction.

### STRATEGIC PLAN RELEVANCE:

- ☒ Organizational Effectiveness
- ☒ Responsive Service Delivery

### FINANCIAL CONSIDERATION(S):

The baseline contract pricing has increased from an existing \$464,837.50 for the 2020-2021 operational term by \$120,882.50 for 2021-2022. This increase is as a result of employee recruitment and retention for the increased MWR<sup>2</sup> status of the system from a Level 1 to a Level 2 facility. This increase requires operators to maintain a level 2 EOCP registration. Table 2 outlines the fee structure for the Charlie Lake Wastewater System Services Agreement and includes the proposed extension pricing.

Table 2. Proposed Annual Lump Sum Fee (excluding GST) for the routine services.

	Current Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6 (optional extension)
	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027
Collection System & Lift Station	\$139,400	\$117,150	\$119,500	\$121,870	\$124,300	\$126,800	\$129,330
Treatment & Disposal System	\$139,400	\$205,000	\$209,100	\$213,280	\$217,550	\$221,900	\$226,340
Trucked Waste Receiving Facility	\$186,037.50	\$263,570	\$268,840	\$274,220	\$279,700	\$285,300	\$291,000
<b>Total</b>	<b>\$464,837.50</b>	<b>\$585,720</b>	<b>\$597,440</b>	<b>\$609,370</b>	<b>\$621,550</b>	<b>\$634,000</b>	<b>\$646,670</b>

From Table 2, the total cost for the 5-year term is \$3,048,080. Total costs for operating the service in 2021 will increase by \$10,073<sup>3</sup>. This increase is covered off in the existing budget envelope for Function 601-Charlie Lake Sewer, within the 2021 Financial Plan.

### COMMUNICATIONS CONSIDERATION(S):

None at this time.

<sup>2</sup> Municipal Wastewater Regulation

<sup>3</sup> Reflecting the new contract starting December 1, 2021.

**OTHER CONSIDERATION(S):**

Upon completion of the 5 year term, Aquatech has offered the optional extension rate of \$646,670 for a 1 year term. Approval of any extensions beyond the 5 year term would have to be approved by the CAO as per section 12.4 of the Procurement Policy.