



# REPORT

To: Chair and Directors

Report Number: ENV-BRD-019

From: Paulo Eichelberger, General Manager of Environmental Services Date: November 16, 2020

Subject: **Charlie Lake Wastewater Contract Extension**

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## **RECOMMENDATION: [Corporate Weighted]**

That the Regional Board approve the extension of the existing operations contract, entitled "Charlie Lake Wastewater System Services Agreement," dated December 1, 2015 (the Contract) for an additional one year term commencing November 30, 2020 and ending November 30, 2021, for a total contract value of \$464,837.50, further, that the Chair of the Regional Board and the Chief Administrative Officer be approved to sign the contract extension on behalf of the PRRD.

## **BACKGROUND/RATIONALE:**

The Charlie Lake Wastewater System Services Agreement is a contract between the PRRD and Aquatech Canadian Water Services (Aquatech) to operate the Charlie Lake Waste Water Service<sup>1</sup>. This agreement was signed for a 5 year term, starting December 1, 2015, ending on November 20, 2020, with an option to renew for an additional one-year term. As per the contract terms, the annual price of the services has increased by 2.5% each year. Aquatech Canadian Water Services has agreed to renew the contract with a 2.5% increase from \$453,500.00 (2019/2020) to \$464,837.50 for the one year extension.

Aquatech Canadian Water Services has offered exemplary service throughout its initial term. 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.

Based on the professional level of service shown by the Aquatech team to operate the Charlie Lake Waste Water Facilities in its entirety, as well as their vast expertise and knowledge of the infrastructure and historical operations of the system, staff recommend extending the term to Aquatech for the available 1 year term. As an extension is only available for 1 year following the initial contract term, a Request for Proposal will be made available through the public procurement process early in 2021.

## **ALTERNATIVE OPTIONS:**

1. That the Regional Board issue a Request for Proposal for the operation of the Charlie Lake Wastewater Service including the Collection System, the Trucked Waste Facility, and the Treatment and Disposal Systems.
2. That the Regional Board provide further direction.

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

**STRATEGIC PLAN RELEVANCE:**

- ☒ Organizational Effectiveness

**FINANCIAL CONSIDERATION(S):**

Table 1 outlines the fee structure for the Charlie Lake Wastewater System Services Agreement and includes the proposed extension increase for the 2020/2021 year.

Table 1. The Annual Lump Sum Fee (all-inclusive for each item, excluding GST) for the routine services.

	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
<b>Collection System</b>	\$123,300.00	\$126,300.00	\$129,500.00	\$132,800.00	\$136,000.00	\$139,400.00
<b>Treatment System &amp; Disposal System</b>	\$123,300.00	\$126,300.00	\$129,500.00	\$132,800.00	\$136,000.00	\$139,400.00
<b>Trucked Waste Receiving Facility</b>	\$164,400.00	\$168,500.00	\$172,700.00	\$177,000.00	\$181,500.00	\$186,037.50
<b>Grand Total:</b>	<b>\$411,000.00</b>	<b>\$421,100.00</b>	<b>\$431,700.00</b>	<b>\$442,600.00</b>	<b>\$453,500.00</b>	<b>\$464,837.50</b>
<b>% Annual Increase:</b>		<b>2.46%</b>	<b>2.52%</b>	<b>2.52%</b>	<b>2.46%</b>	<b>2.50%</b>

**COMMUNICATIONS CONSIDERATION(S):**

None at this time.

**OTHER CONSIDERATION(S):**

Should the Regional Board choose to not extend this contract, the following steps must be taken:

- The Contract will terminate at the end of the last day of the Initial Term, November 30, 2020.
- A Request for Proposal would have to be issued immediately.
- A short term contract will be required for the operation of the Charlie Lake Waste Water Facilities during the procurement process and an agreed upon fee would have to be negotiated.

Moving to immediate procurement as opposed to contract extension could create additional challenge and liabilities for the PRRD including:

- The Charlie Lake Trucked Waste Receiving Facility may have to be closed during the procurement process.
- Succession planning for smooth transition between existing and potentially new contractors would be lost.
- Failure to meet regulatory requirements under the Environmental Operators Certification Program which include but are not limited to monitoring and maintenance of the collection and treatment systems, as well as sampling.

**Attachments:**

1. Attach – Charlie Lake Wastewater Systems Services Agreement
2. Attach – Contract Extension Letter and Bylaws