



AGENDA

Special Council Meeting of the Tahsis Village Council
to be held on July 14, 2017 in the Council Chambers
Municipal Hall, 977 South Maquinna Drive

- A. Call to Order** Mayor Schooner at 10:30 a.m.
- Mayor Schooner would like to acknowledge and respect that we are upon Mowachaht/Muchalaht traditional territory.
- B. Introduction of Late Items** None.
- C. Approval of the Agenda**
- K. Bylaws** None.
- New Business** 1 **Report to Council Re: Water Meter Supply, Install and Maintenance Contract Award**
- Public Exclusion**
- Recess**
- Reconvene**
- O. Adjournment**

VILLAGE OF TAHSIS

Report to Council

To: Mayor and Council
From: Chief Administrative Officer
Date: July 11, 2017
Re: Water Meter Supply, Install and Maintenance Contract Award

PURPOSE OF REPORT:

To update Council on the activities and outcome of the Village's RFQ - Water Meter Supply, Installation & Maintenance recently conducted by Kristiansen & Associates.

To seek Council approval to move ahead with finalizing an agreement, and a meter installation prioritization plan, with the successful proponent.

OPTIONS / ALTERNATIVES

1. Receive the Report
2. Do not receive the Report
3. Approve the finalization of an agreement with **Corix**
4. Do not Approve the finalization of an agreement with **Corix**
5. Any other action that Council deems acceptable.

BACKGROUND:

Project Activities

The Water Meter RFQ was sent to the three suppliers selected from the preceding Request for Expression of Interest. The suppliers are: Corix Water Products Ltd Partnership, FourStar Works Ltd, Neptune Technology Ltd.

Prior to the submission deadline of July 4th each of the proponents participated in a site visit. The main purpose of the visit was to see first hand the water meter installation challenges due to the Village terrain, and the variability in the locations and condition of the existing water service connections.

Site Visit Outcome

Discussion during the site visit led to the identification of a set of potential meter installation issues. The incidental expenses incurred as a result these issues could significantly increase the cost of the affected meter installation. To address these contingencies proponents were required to provide a maximum and minimum quote range for each of the contingencies along with their base cost quote.

See Figure 1 below for contingencies list. The labour/equipment prices shown in the Figure 1 are those quoted in the **Corix Water Products** submission.

Figure 1 – Contingencies List¹

D The Village is requiring proponents to estimate the extra labour costs of dealing with the following issues.
 Note: These prices will serve only as a means of enabling the Village to establish a sense of their order of magnitude.

Work to be carried out	minimum cost of labour/equip*	maximum cost of labour/equip*
a. locating a non visible curbstop	\$120.00	\$420.00
b. removal and replacement of a non operational curbstop	\$120.00	\$600.00
c. installation of curbstop where there wasn't one before	\$300.00	\$600.00
d. asphalt restoration (per square foot)	\$350.00	\$700.00
e. concrete restoration (per square foot)	\$250.00	\$517.00
f. replacing existing standpipe with new VMS, curbstop operational	\$175.46	\$350.93
g. extra deep meter pit (per depth in feet)	\$120.00	\$500.00
h. addressing freezing water line in the case where the curbstop does not operate	\$120.00	\$350.00

* Does not include delivery charges - will be direct cost plus 10% administration

RFQ Submission Outcome

The outcome of the RFQ Submission was as follows:

- **Corix Water Products Ltd Partnership** was the sole proponent to submit a quotation.
- **FourStar Water Works Ltd.** informed us that they would not submit as they were unable to marshal a crew to carry out the work within the scheduled timelines.
- **Neptune Technology Ltd** was concerned with the potential variability in the installation work both prior to and at the site visit. They did not submit a quotation.

Given this situation, the next step was to carry out an assessment of the acceptability of the **Corix** offer.

¹ contingency quote is that submitted by CORIX

Assessment of the CORIX Offer

Project Management / Training & Support Offer

Corix has offered a well defined full scope project management component as well as a comprehensive support package. Both of these services are built into the meter installation costs.

The training & support package includes during and post project:

- Hands on training/support for a comprehensive variety of topics
- Online materials to support the above
- Topics that are timely (i.e. routine operations and maintenance support is post-project)

All on-line training/support is free of charge ongoing.

Meter Materials Offer & Quotation

The meter materials quoted appear to be mostly acceptable. However, a Q&A session between the Village and Corix will be needed prior to entering into an agreement. In particular the lifecycle and composition of the 3/4" residential meter offer need to be discussed and if necessary alternatives proposed.

Meter Installation Offer & Quotation

Figure 2 illustrates the Corix quote². The base prices for the materials and installation costs do not incorporate any contingency costs.

Figure 2. Meter Installation Base Prices

COST OF REQUESTED & BYLAW DRIVEN METER INSTALLATIONS	Residential - Single Family	Commercial Meters		
	3/4"	2"	4"	6"
Quantity*	109	7	3	1
*3/4" as per resident requests, private commercial 2" and 4" users as per bylaw. Village buildings are included, 6" had no immediate application				
Total (GST incl.)	\$146,934	\$31,438	\$75,174	\$47,839
Grand Total	\$301,386			

² quote is based on the number and type of installations provided in the RFQ

The project budget as it appears in the grant application is shown in Figure 3.

Figure 3. Project Funding Details

PROJECT FUNDING (GST incl.)	
TOTAL ELIGIBLE PROJECT COSTS	408903
MAXIMUM GRANT AMOUNT (Prov. 33%, Fed. 50%)	339389
TAHSIS' CONTRIBUTION (capital works reserve)	69514
TOTAL INELIGIBLE COSTS (RECOVERED BY THE VILLAGE)	18202

The difference between eligible project funds³ and the grand total of **Corix** base prices is **\$46,182**.

Dividing that amount between all 119⁴ of the confirmed meter installations results in a **\$388** per meter surplus for addressing incidental costs. This surplus would cover 55% of the highest meter installation contingency cost quoted in Figure 1.

This is an unnecessarily high surplus of which part may be applied to the purchase and installation of extra meters⁵ for future used by late adopters of metered water. As **Corix** declined to provide a future installation price for both meters and meter materials, it makes sense to use the surplus to carry out the extra meter materials purchase.

Next Phase of the Project

Before the agreement can be finalized, the following need to be considered:

1. adequacy of the ¾' meter materials lifecycle and composition
2. plan for prioritizing installations groups based on a site survey to roughly estimate the proportion of properties with and without obvious meter installation contingencies
3. the use of the apparent surplus needs to be allocated

This warrants further discussion with **Corix** the goal of which would be to successfully negotiate an agreement.

POLICY / LEGISLATIVE REQUIREMENTS:

Water Regulations and Rate Bylaw No. 581, 2016

³ minus the 15% project management fee

⁴ the 6" meters have no immediate application – the plan is to have one on hand when one is required

⁵ grant application ask was 250 3.4" meters – the idea was to have a current price supply of materials for new installations and replacements

FINANCIAL IMPLICATIONS:

Project costs are covered under the Clean Water and Wastewater Fund grant total and the Village contribution. (see figure 3 above)

RECOMMENDATION:

- Option 1. Receive the Report for information

- Option2. Approve the Plan to enter into an agreement with **Corix** subject to further discussions and finalized references checks.

Respectfully submitted:



Mark Tatchell, CAO