

DATE: March 17, 2025

REPORT NO: O-05-2025

SUBJECT: **Water and Wastewater Rate Study and Financial Plan Request For Proposal (RFP) Award**

CONTACT: Mike DiPaola, P.Eng
Director, Infrastructure

OVERVIEW:

- Council approved the Water and Wastewater Rate Study and Financial Plan through the 2025 Capital and Special Projects Budget, in the amount of \$60,000.00.
- Under the requirements of O.Reg 453/07 a Water and Wastewater Rate Study for the purpose of developing a financial plan must be completed in order for the Township to renew its Drinking Water License.
- The Request for Proposal (RFP OPR 2025-02) was released in February 2025 with a closing date of March 7, 2025.
- Four (4) submissions from consultants were received by the Township.
- Administration has completed the evaluation of all proposals and recommend to Council the acceptance of the RFP submitted by Watson & Associates Economists Ltd., with a proposal price of \$34,989.00 (excluding HST).

RECOMMENDATION:

1. That Recommendation Report O-05-2025 titled “Water and Wastewater Rate Study and Financial Plan Request for Proposal (RFP) Award”, dated March 17, 2025, be received; and
2. That Watson & Associates Economists Ltd., be retained to complete the Water and Wastewater Rate Study and Financial Plan as outlined in RFP OPR 2025-02 at a price of \$34,989.00 (excluding HST).

ALIGNMENT TO STRATEGIC PLAN:

Theme #1

- **BUILD** a safe, connected, caring and active community

Theme #2

- **CHAMPION strategic & responsible growth**

BACKGROUND:

Under the requirements of O.Reg 453/07 a Water and Wastewater Rate Study for the purpose of developing a financial plan must be completed in order for the Township to renew its Drinking Water License. The purpose of this study is to ensure cost recovery in the Township's operating and capital budgets, ensure adequate resources are available for the maintenance, replacement, and rehabilitation of these capital assets, and to develop a long-term sustainable rate structure for the system users.

CURRENT SITUATION:

A Request for Proposal (RFP) was developed and issued on Bids and Tenders on February 21, 2025, with a closing date of March 7, 2025. Four (4) proposals were received and evaluated based on value for money, with the evaluation criteria being weighted as 80% for Technical and 20% Cost. The Technical evaluation criteria includes applicable technical expertise and resources, team strength and leadership, similar project experience, past performance record, project understanding, and scope of work/methodology. The results and summary of Administration's evaluation is presented below:

VENDOR	RFP PRICE	POINTS (For RFP)
Watson & Associates Economists Ltd.	\$34,989.00	925
DFA Infrastructure International Inc.	\$28,000.00	780
BMA Management Consulting Inc.	\$38,575.00	780
Ranaweera Professional Services	\$58,240.00	540

Per the Township's current Tendering & Purchasing Policy, purchases up to \$100,000.00 can be authorized by the CAO. However, in the case of an irregular result, authorization must be through Council resolution. An irregular result is defined as "where competitive quotes or proposals are submitted and any of the following has occurred:

- No bids received;
- Two or more identical low bids have been received;
- The lowest bid exceeds the estimated cost or budget allocation; or
- For any reason, the award of the contract to or the purchase from the lowest vendor is considered inappropriate.

In this case, awarding to the recommended consultant constitutes an irregular result, due to point d) above. As shown in the above chart, a lower priced bid was received than the recommended consultant with the highest RFP score. Based on the RFP evaluation and scoring, Watson & Associates Economists Ltd. was evaluated as the successful and recommended vendor. This firm has vast experience in developing Water and Wastewater Rate Studies, and also completed West Lincoln's previous rate study in 2020. Therefore, Administration is recommending that RFP OPR 2025-02 be awarded to Watson & Associates Economists Ltd., at a price of \$34,989.00 (excluding HST).

FINANCIAL IMPLICATIONS:

Council approved \$60,000.00 towards the Water and Wastewater Rate Study and Financial Plan as part of the 2025 Capital and Special Projects Budget.

Administration recommends that RFP OPR 2025-02 be awarded to Watson & Associates Economists Ltd., at a price of \$34,989.00 (excluding HST). Based on the proposal price received from the recommended consultant, Administration has estimated the total cost of this project to be \$41,000.00, as itemized below:

Watson & Associates RFP Price:	\$34,989.00
Contingency Allowance:	\$ 5,000.00
Net HST Amount (plus rounding):	<u>\$ 1,011.00</u>
 Total Estimated Project Cost:	 \$41,000.00

The estimated total project cost includes a contingency allowance for any unforeseen costs related to professional services or miscellaneous costs in order to complete this study.

There are sufficient funds in the approved budget to award this assignment to Watson & Associates Economists Ltd., and to cover the estimated project cost.

INTER-DEPARTMENTAL COMMENTS:

This report has been reviewed by the Director of Corporate Services/CFO, the CAO, and the Clerk's Office.

CONCLUSION:

Based on the four (4) submissions received in response to the Township's Water and Wastewater Rate Study and Financial Plan RFP, Administration is recommending the acceptance of the RFP submitted by Watson & Associates Economists Ltd., with a proposal price of \$34,989.00 (excluding HST), as they scored the highest in the RFP evaluation.

SCHEDULE(S)

N/A

Prepared & Submitted by:

Approved by:

Mike DiPaola, P.Eng
Director, Infrastructure

Truper McBride
Chief Administration Officer