



## AGENDA ITEM SUMMARY

TO: Chair and Directors, Cariboo Regional District Board

AND TO: Janis Bell, Chief Administrative Officer

FROM: Mitch J. Minchau  
Manager of Environmental Services

DATE: January 7, 2009

DATE OF MEETING: January 23, 2009

SHORT SUMMARY: Engineering services contract

VOTING: Corporate Vote – Unweighted

MEMORANDUM: After considering the attached agenda item summary regarding a direct award of an engineering services contract to TRUE Consulting Group, the Board accordingly resolved:

“That the agenda item summary from Mitch J. Minchau, dated October 17, 2008 regarding engineering services contract, be received. Further, that consideration of awarding an engineering services contract be deferred to allow staff time to investigate requirements with regards to TILMA and also the possibility of a call for proposals for a three year engineering contract.”

In addition to the Board resolution, Directors individually expressed other questions and concerns as follows:

- Is the individual project value limit of \$2,000,000 the amount paid for engineering services?  
*No, engineering services are only a percentage of the project value and ranges from 15% to 25% depending on the particular project. The construction aspects of a project are awarded through the normal public tender process.*
- Some Directors felt that the project limit of \$2,000,000 was too high for a direct authorization by staff without Board input.  
*This limit could be reduced to \$1,200,000 without unduly affecting our ability over the next few years to complete projects.*

With regards to the British Columbia –Alberta Trade, Investment, and Labour Mobility Agreement (TILMA), the agreement does not apply to local governments until April 1, 2009. How the TILMA requirements will apply are still under consultation. If local procurement standards are similar to those now established for the provincial government sector, it requires non-discrimination in the purchase of:

- Goods of \$10,000 or greater;
- Services (other than professional services) of \$75,000 or greater;
- Construction of \$100,000 or greater; and,
- Water services and investments pertaining to water are exempt from TILMA requirements.

For the purposes of awarding an engineering contract for professional services, TILMA does not apply. When awarding construction contracts over \$100,000, TILMA would apply. The Cariboo Regional District's public tendering process does not discriminate against Alberta companies and as such complies with TILMA.

In an effort to protect and stimulate the economy, the Federal government is now planning to quickly invest significant capital funds into infrastructure projects. It wants to fast track ready to go projects with new capital and is asking all local governments to identify potential projects. The Cariboo Regional District has provided a list of projects. Part of having projects ready to go is the ability to complete the appropriate engineering requirements over the next few months, to allow for construction in 2009. If the Cariboo Regional District is successful in receiving new funds or existing Building Canada Fund program applications receive priority approval, engineering would have to occur from February to April so construction tenders could be issued in May with work to be completed from June to October, prior to freeze up. Projects that require engineering include the Canim and Horse Lake water system improvements and the Kylo water reservoir.

In view of the above issues and for reasons listed in the previous memorandum, District staff is recommending that the Cariboo Regional District award a 3 year engineering services contract to TRUE Consulting Group commencing February 1, 2009 for individual projects that do not exceed a total value \$1,200,000. This arrangement would not be exclusive. Should the Cariboo Regional District have a need to retain another engineering firm, it could do so through the issuance of a request for proposal or tender.

ATTACHMENT: Agenda item summary dated October 17, 2008 from Mitch J. Minchau, regarding engineering services contract.

POLICY IMPLICATIONS: Policy 4.4.10 – Consulting Services Proposal Call applies. The Board would be waiving the requirement to provide another call for proposals, as well as raising the project limit to \$1,200,000, should it choose to directly award a contract to TRUE Consulting Group.

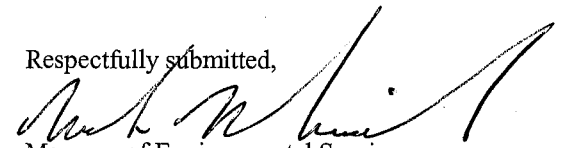
FINANCIAL IMPLICATIONS: The cost of Engineering Services would be applied to each individual capital project as it occurs. Reviewed by Treasurer:

OPTIONS:

- 1) Receipt
- 2) Receipt and endorsement of the recommendation.
- 3) Receipt and further action as directed by the Board

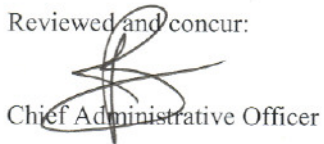
RECOMMENDATION: That the agenda item summary from Mitch J. Minchau, Manager of Environmental Services, dated January 7, 2009, regarding an engineering services contract, be received. Further, that the Cariboo Regional District award a 3 year non-exclusive engineering services contract to TRUE Consulting Group commencing February 1, 2009 for individual projects that do not exceed a total value \$1,200,000.

Respectfully submitted,



Manager of Environmental Services

Reviewed and concur:



Chief Administrative Officer



However, the existing policy limit of \$300,000 is to allow for effective use of the engineering services. Over the last few years construction costs have increased substantially and as such district staff is recommending that the upper project limit be raised to \$2,000,000 for an agreement with TRUE Consulting Group.

ATTACHMENT: None

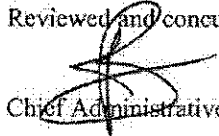
POLICY IMPLICATIONS: Policy 4.4.10 – Consulting Services Proposal Call applies. The Board would be waving the requirement to provide another call for proposals as well as raising the project limit to \$2,000,000 should it choose to directly award a contract to TRUE Consulting Group.

FINANCIAL IMPLICATIONS: The cost of Engineering Services applied to each individual capital project as it occurs. Reviewed by Treasurer:

OPTIONS: 1) Receipt;  
2) Receipt and endorsement of the recommendation;  
3) Receipt and further action as directed by the Board.

RECOMMENDATION: That the agenda item summary from Mitch J. Minchau, dated October 17, 2008, regarding an engineering services contract, be received. Further, that the Cariboo Regional District award a 3 year engineering services contract to TRUE Consulting Group commencing January 1, 2009 for individual projects valued under \$2,000,000.

Respectfully submitted,  
  
Manager of Environmental Services

Reviewed and concur:  
  
Chief Administrative Officer