



# REPORT

To: Chair and Directors

Report Number: ENV-BRD-183

From: Daris Gillis, Environmental Services Manager

Date: May 2, 2024

**Subject: Contract Amendment – RFP 10-2021 Rolla Sewer Treatment Upgrades McElhanney Ltd.**

---

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

That the Regional Board authorize a \$95,623 increase in the total contract value for McElhanney Ltd., RFP 10-2021 “Rolla Sewer Treatment Upgrades” from \$220,609 to \$316,232, and extend the contract term to December 31, 2024 to complete necessary changes in the contract scope related to Ministry of Environment and Climate Change Strategy’s requirements under the Municipal Wastewater Regulations and Information Request Table for completion of the existing compliance documentation by Qualified Professionals, for Rolla Sewer; further, that the Chair and Chief Administrative Officer be authorized to sign the contract amendment on behalf of the Peace River Regional District.

## **BACKGROUND/RATIONALE:**

On April 15, 2021, the Regional Board passed the following resolution:

*MOVED, SECONDED, and CARRIED*

*That the Regional Board award RFP #10-2021, “Rolla Sewer Treatment Facility Infrastructure Upgrades,” to McElhanney Ltd. for engineered design of sewer treatment upgrades, scope of work development and construction supervision at a total cost of \$93,379 (excl. taxes); further, that the Chair and Chief Administration Officer be authorized to sign on behalf of the PRRD*

During a consultation with the Ministry of Environment and Climate Change Strategy (MoECCS), the Rolla Sewer system was found to be in non-compliance with the Municipal Wastewater Regulations (MWR).

On October 7, 2021, the Regional Board passed the following resolution:

*MOVED, SECONDED, and CARRIED*

*That Regional Board amend the “Rolla Sewer Treatment Facility Infrastructure Upgrades Request for Proposal #10-2021” contract to include the services of a qualified professional to review, develop, and execute sealed documents as required for Rolla Sewer Treatment Facility compliance under the Municipal Wastewater Regulations, and to extend the completion date from February 1, 2022, to July 31, 2022, at an additional cost of \$17,230 excluding taxes; further, that the Board Chair and Chief Administrative Officer be authorized to sign on the PRRD’s behalf.*

McElhanney’s contract scope was expanded to develop the necessary documentation to bring the Rolla Sewer system into compliance with the MWR. The necessary documentation, including an Environmental Impact Study, Monitoring Program, and Compliance summary, were submitted to the MoECCS for review in 2022.

On August 11, 2022, the Regional Board passed the following resolution:

*MOVED, SECONDED, and CARRIED*

*That the Regional Board amend the contract, “Rolla Sewer Treatment Facility Infrastructure Upgrades RFP #10-2021”, to include provincially and federally required qualified professional services including the review, development, and execution of necessary modelling and monitoring of Rolla Creek and any additional amendments to the outfall design as required for Rolla Sewer Treatment Facility compliance, as well as additional construction oversight; and to extend the completion date from July 31, 2022, to August 31, 2023 at an additional cost of \$110,000 (excluding taxes) to a new maximum of \$220,609; further, that the Board Chair and Chief Administrative Officer be authorized to sign the agreement on behalf of the PRRD.*

In June 2023, the PRRD provided an interim memo outlining monitoring results of Rolla Creek, prior to discharge and during discharge to the MoECCS and further made an application for final authorization with the required documentation that McElhanney compiled. During that period until now there have been multiple Environmental Protection Officers assigned to the Rolla MWR file, and the Ministry has restructured the authorizations team.

In early 2024, the Section Head for MoECCS instructed staff that another preliminary application for an MWR authorization would need to be made. An application was made in February 2024. The PRRD received an Application Instruction Document (AID) and an Information Requirements Table (IRT) in March 2023. All requirements outlined in the IRT are due for submission by September 2024.

Because of the change in the authorizations process and the high turnover of Ministry staff, McElhanney Ltd, as the Qualified Professional for the PRRD, will need to review the new AID and IRT and the existing documentation to understand any outstanding requirements. Once the outstanding requirements are determined, McElhanney will complete the work and provide technical reports to fulfill the requirements for submission and to obtain an MWR authorization. Currently, there are many unknown variables that present risks and costs to this project. Given these unknowns, McElhanney Ltd. has provided a scope change estimate for the potential work that may be required in the amount of \$95,623 (excluding taxes). This work may include a complete redesign of the outfall and modelling of the Rolla Creek system and Initial Dilution Zone. This work is dependent on the interpretation and direction of the Province.

The current end date for McElhanney’s contract is August 31, 2024. Staff is recommending that the contract be extended and increased to include this scope of work to maintain continuity and expediency with the qualified professionals and the MoECCS.

**ALTERNATIVE OPTIONS:**

1. That the Regional Board provide further direction.

**STRATEGIC PLAN RELEVANCE:**

- Asset and Infrastructure Management

**FINANCIAL CONSIDERATION(S):**

\$95,623 was carried forward from the 2023 Rolla Sewer Capital Upgrades within Function 607 – Rolla Sewer budget. This amount was carried forward to cover any unanticipated change to compliance requirements deemed necessary by MoECCS. The proposed contract changes for review and completing outstanding compliance requirements are estimated at \$95,623 (excluding taxes).

<b>Contract Item</b>	<b>Amount (\$)</b>
Initial Contract Award	93,379
Change Order 1	17,230
Change Order 2	110,000
Change Order 3	Extension of Contract Term
Change Order 4	12,500
Change Order 5	83,123
<b>TOTAL CONTRACT AMOUNT</b>	<b>316,232</b>

**COMMUNICATIONS CONSIDERATION(S):**

None at this time.

**OTHER CONSIDERATION(S):**

None at this time.

## External Links:

1. [Regional Board April 15, 2021](#) – See Item 10.9 - Rolla Sewer Treatment Facility Infrastructure Upgrades Contract Award, ENV-BRD-054
2. [Rural Budgets Administration Committee September 27, 2021](#) – See Item 9.9 -Rolla Sewer Funding Request for Contract Amendment to RFP 10-2021
3. [Regional Board August 11, 2022](#), - See Item 8.11 Rolla Sewer Treatment Facility Infrastructure Upgrade Contract Amendment – McElhanney RFP 10-2021 ENV-BRD-102