



PROCUREMENT STRATEGY

May 02, 2020



LLOYDMINSTER
WASTEWATER TREATMENT
FACILITY IPD TEAM



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Project Procurement Introduction

The Integrated Project Delivery (IPD) method for the New Mechanical Wastewater Treatment Facility (WWTF) project has been approved by City Council. With that approval, it was understood that the City's current Procurement and Purchasing processes did not cover this type of project and that a supplementary guide would be required. The City's procurement team as part of the overall IPD Team have collaborated to create a procurement strategy that will uphold transparency and fairness while meeting the requirements of the funding agencies and applicable Trade Agreements and allowing competition throughout the phases of the project. This procurement strategy shall be followed by all members of the Design/Construction Team.



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Owner's Requirements, Goals and Constraints

1. PROJECT COST

- The Maximum (all-in) Project Cost is \$81.5M, but the Base Target Cost + Contingency + Allowances + Risk Pool is ≤\$75M.
- The Base Target Cost is to be based on a fiscally responsible (cost effective) project that meets all the Owner's Requirements, Goals, and Constraints, no "gold plating".
- The Base Target Cost + Contingency + Allowances + Risk Pool may only exceed \$75M if it can be shown that the additional capital cost will reduce long term operational costs.

2. FUTURE RESILIENCE

- The WWTF layout and design to account for ease of expansion (quantity and quality) in the future.
- Technology selection and treatment design to allow for meeting potential future regulatory updates with minimal or no upgrades to process.
- Material selection (facility construction) to be durable, long-lasting, with low operational and maintenance requirements.

3. ENVIRONMENTAL RESILIENCE AND SUSTAINABILITY

- The selected treatment technology and design to allow for future direct re-use (very high quality) or future direct discharge (high-quality) of the treated effluent elsewhere.
- The treated effluent quality to meet the Saskatchewan Water Security Agency and Environment Canada requirements (current, and possible future with little to no upgrades).
- The project is to carefully consider the Prairie Resilience: A Made-in-Saskatchewan Climate Change Strategy document and build as much of this as practical into the Works.

4. EFFLUENT REUSE AND REGIONAL COLLABORATION

- The selected treatment technology and design to allow for high quality effluent that could be sold (re-used) to generate revenue to off-set overall WWTF operational costs, with due consideration for the amount of treated effluent that must be directly (or indirectly) returned to the North Saskatchewan River.
- The City of Lloydminster wants to contribute to regional collaboration and success: to this end the WWTF is to allow for treating effluent from surrounding municipalities, and possibly re- using treated effluent on a regional scale.
- The City's staff working on this project to gain knowledge and expertise so that they may export their knowledge of wastewater treatment/construction and Integrated Project Delivery to those in the region or province.

5. OPERATIONAL EFFICIENCY

- The overall WWTF has a low long-term operational cost based on the selected technology.



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- Effective use of existing infrastructure to reduce operational costs, without adding operational complexity or unnecessary future maintenance costs.
- The WWTF provides operational flexibility to deal with plant upsets whilst still meeting the required effluent quality.

6. SOLIDS MANAGEMENT

- Solids management should have little to no impact on the existing landfill.
- Allow for utilizing solids as a resource either now, or in the future.
- Solids management to be a cost effective, low complexity, low operational cost solution that allows for future expandability and flexibility.

7. SCHEDULE

- Project schedule is to be closely coordinated with Regulators such that the WWTF is operational in a reasonable and agreed upon timeframe.
- Construction is to commence in April 2021, this would be independent or early defined work required for the project.
- The project is to achieve or improve on the schedule that is established at the end of the Validation Phase.

8. QUALITY WORK ENVIRONMENT

- The WWTF is a safe and quality workplace that attract and retain employees.
- The WWTF staff see a long-term positive and fulfilling career path.
- The WWTF is “operator friendly” and secure.

9. LEADERSHIP AND INNOVATION

- The project integrates people, systems, business structures and practices into a process that collaboratively harnesses the talents and insights of all participants to optimize results.
- The project is seen as obtaining excellence in design, construction, and operations using innovative, but proven treatment technologies well established (installed base) in Canada.
- The project is publicly acclaimed for its process (IPD) and results.

10. TRANSPARENCY

- The City of Lloydminster and the public see and understand the importance of the WWTF project.
- Local contractors and suppliers in Lloydminster and the surrounding area are provided information and given an opportunity, where suitable, to be an active part of this project.
- Everything is transparent at Senior Management Team and shared freely, but any information being distributed from this level is done with careful consideration especially as it relates to the Saskatchewan Local Authority Freedom of Information and Protection of Privacy Act (LAFOIP).



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Project Procurement

Through development and construction of the facility, the PMT will provide detailed project updates to the SMT on a regular basis. These updates will include, in depth technical information to support a broad understanding of the project need, and how the improvements will serve Lloydminster, the environment, and downstream neighbours.

The City will be disseminating information for contractors and businesses who wish to learn about or be involved in the project. Any public opportunity will be posted to the City's standard bidding sites, which include *(but are not limited to)* Alberta Purchasing Connection, SaskTenders, Bids&Tenders and construction related tenders to BuildWorks Canada.

Through the Design/Procurement and Construction Phases of the project, the IPD Team is committed to the provision of open and transparent procurement methods.

The City's Procurement team will be working in conjunction with the WWTF IPD Project Management Team (PMT), to assist with the procurement process for the project.

Procurement Team roles

City of Lloydminster Procurement will assume responsibility for the following:

- development of the procurement strategy
- posting project opportunities
- posting updates on project awards

PMT roles

The PMT will assume responsibility for the following:

- providing input for the development of the procurement strategy
- identifying project purchasing needs
- ensuring open and fair competition
- ensuring fair and transparent procurement

PIT roles

The PITs will assume responsibility for the following:

- recommend the procurement method through consultation with the PMT
- developing bid documents
- suggest a suitable Evaluation Team that will assist in reviewing and selecting the most suitable proponent

Post Procurement

Post award inquiries will be managed through the procurement team as well as a pre-determined Evaluation Team. If debriefs are requested, the Evaluation Team will arrange a meeting with the vendor.



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Guiding Principles

The City of Lloydminster and the Design/Construction Team are committed to following the principles laid out within this document for all procurement related activities:

- ethical behaviour and conduct, fairness, integrity and professionalism
- compliance with all applicable legislation

The IPD Team shall protect commercially sensitive information received in the process, or the award of a contract, in accordance with the provisions of the Saskatchewan Local Authority of Freedom of Information and Protection of Privacy Act (LAFOIP).

Procurement Acquisitions

The following methods are guidelines for the PMT to utilize during the Design/Procurement, and Construction Phases of the project:

NOVATED EQUIPMENT:

1. Invitational Procurement (often used for more specialized equipment); or
2. Open Competition – which may include Pre-Qualification

CONSTRUCTION:

1. Procure based on CCDC30; or
2. Qualification Based selection (QBS), or
3. Open Competition – which may include Pre-Qualification

OTHER PROCUREMENT:

1. Procure based on CCDC30; or
2. Open Competition – which may include Pre-Qualification
3. Three (3) Quotes where possible to do so

SOLE/SINGLE SOURCE PROCUREMENT:

1. Must be approved and justified by PMT and documented

ADDED PARTIES – As part of the existing CCDC30, it is the responsibility of the CCDC30 members to determine and procure any parties that may need to be added to the CCDC30 contract.

TECHNOLOGY VENDOR – The Technology Vendor has been publicly procured as a member of the IPD Team per the CCDC30.

All public tenders will be on Project templates. Tenders will be vetted and posted by the City's Procurement team to ensure consistency with the current tendering process.



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Approvals

When procuring goods or services, including those parts of construction outside the current CCDC30 agreement, PMT are to use the following as a guide for procuring methods:

- All procurement shall be reviewed by the PIT Captain or delegate prior to submitting to PMT.
- Approvals and signing authority shall fall to the PMT for purchases and contracts.

Procedure

Once a PIT has determined a suitable procurement method, the PIT Captain will discuss this with the PMT. The guidelines of this strategy will be followed.

For all purchases, a request form shall be executed and signed in accordance with the *Approvals* listed above, followed by the quote, proposal or supporting documentation.

If Open Competition has been determined, the PIT will prepare the draft Bid Document, including drawings and appendices. These will be sent to the City's procurement team for posting. The Procuring PIT will assign a main contact to accept vendor questions and issue responses using the Project's addendum template.

The Evaluation Team will complete the evaluation and bring forward a recommendation to the PMT for approval.

A request form will be completed, and once executed, the PIT may proceed with the purchase.

Awards from open competitions will be posted on the City's procurement tendering site and project web page.

Any Single/Sole Source procurement will require the Single/Sole Source approval to be executed and supporting documentation attached, if necessary.



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Key Messages

New WWTF is needed for Lloydminster to comply with current legislated effluent requirements.

City is committed to protecting the North Saskatchewan River and all downstream communities.

New WWTF built to accommodate a growing community and ever-increasing standards for effluent.

Integrated Project Delivery (IPD) model being used to deliver best value and ensure quality.

The City of Lloydminster will own, operate, and maintain the entire infrastructure.

Project funding is being shared by City, Alberta, Saskatchewan and Government of Canada.

City will ensure vendors and contractors are informed of relevant opportunities to participate.

New plant will serve the community for approximately 20 years (until 2041).



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Dedicated Web Page

For information related to the New Mechanical WWTF, project updates will be posted to a dedicated web page, www.lloydminster.ca/WWTF which will include:

- Procurement opportunities which will be advertised on the project site as well as advertised on the bidding sites previously listed
- Opportunity to learn about the new facility
- Opportunity to learn about the IPD process



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Procurement Personnel

Wastewater project subject-matter experts

Terry Burton

Director, Planning & Engineering
City Operations Centre
Office: 780-874-3700 ext. 8332
Mobile: 780-205-2880
Email: tburton@lloydminster.ca

Deon H.J. Wilner, P.Eng.

Director | IPD Practitioner
ISL Engineering and Land Services
Office: 780-438-9000
Mobile: 780-232-1234
Email: dwilner@islengineering.com

Procurement contact

Mika Wangler

Procurement Officer
City Hall
Office: 780-875-6184 ext. 2317
Email: mwangler@lloydminster.ca

Persons responsible for public postings

NOTE: Documents for posting must flow through the Procurement contact before being sent to the personnel below for issuance.

Mika Wangler

Procurement Officer
City Hall
Office: 780-875-6184 ext. 2317
Email: mwangler@lloydminster.ca

Marilyn Lavoie

Manager, Legislative Services
City Hall
Office: 780-871-8328
Email: mlavoie@lloydminster.ca



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| APPENDICES



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Appendix A: Definitions

Added Parties	Parties added at the time of or after the initial signing of the CCDC30. These parties will sign on to the CCDC30.
Approval Authorities	Personnel assigned with authority to approve and sign off on purchases or contracts.
CCDC30	Integrated Project Delivery Contract that is a standard single, multi-party contract between owner, consultant, contractor and any other IPD parties.
Design Procurement Team	The Design Procurement Team consists of all members of the IPD Team less the Owner.
Evaluation Team	A team assigned to evaluate tenders in an Open Competition.
Integrated Project Delivery (IPD)	A collaborative alliance of business structures and practices into a process that harnesses the talents and insights of all participants to optimize project results, increase value to the owner and maximize efficiency through all phases of design, fabrication, and construction.
IPD Team	The IPD Team consist of all signatories to the CCDC30 Agreement. This includes the City of Lloydminster.
Novated Equipment	Equipment typically supplied by a party to the CCDC30 but is tendered out for best-for-project results.
Open Competition	A bidding process that is open publicly to all bidders, posted on the City's tendering websites.
PIT	Project Implementation Teams are multidisciplinary groups of project participants assigned by the PMT to conduct deep dives into specific project needs.
PIT Captain	The single person assigned to be the spokesperson for a PIT, who relays information and decisions to the PMT and other PITs.
PMT	Project Management Team is a collaborative team composed of representatives from each IPD contract party, providing project management leadership during the design and construction process.
SMT	Senior Management Team is a team composed of representatives from each IPD team member, typically the project executive of the firm. They are assigned to



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	handle dispute resolution and support the PMT as required. One member from each party of this team will sign the CCDC30.
Single/Sole Source	Non-Competitive procurement where a single vendor is selected for providing the goods and/or service, including construction.
Technology Vendor	The Technology Vendor for this project is responsible for supplying a core technology and associated equipment.



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Appendix B: Helpful resources

CRD Wastewater Treatment Project

<https://www.crd.bc.ca/project/wastewater-treatment-project>

Government of Canada – Wastewater

<https://www.canada.ca/en/environment-climate-change/services/wastewater.html>

NWPTA – New West Partnership Trade Agreement

http://www.newwestpartnershiptrade.ca/the_agreement.asp

CFTA – Canadian Free Trade Agreement

<https://www.cfta-alec.ca/canadian-free-trade-agreement/>



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Appendix C: Contractual Diagram

All members listed are a party to the CCDC30 contract and may procure goods and services according to this strategy.

