



COUNCIL REPORT

Report Date: March 7, 2025
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Meeting Date: April 2, 2025
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TO: Standing Committee on Policy and Strategic Priorities
FROM: General Manager of Engineering Services and Chief Procurement Officer
SUBJECT: Change Order to Consulting Services Agreement for the Healthy Waters Plan

Recommendations

- A. THAT Council authorize City staff to negotiate a \$1,704,290 change order to an existing agreement with Brown and Caldwell Consultants Canada Ltd., resulting in an estimated new total contract value of \$6,423,260, such change order to be funded from approved Multiyear Capital Project Budget within the 2023-2026 Clean Water Planning program and the 2023-2026 Capital Plan for the Targeted Combined Sewer Overflow separation program.
- B. THAT Council delegate its authority to execute the change order to the City's Director of Legal Services, Chief Procurement Officer, and General Manager of Engineering Services.
- C. THAT no legal rights or obligations will be created by Council's approval of Recommendations A and B unless and until the City executes and delivers the change order.

Purpose and Executive Summary

This report seeks Council approval for a \$1,704,290 change order to the City's contract with Brown and Caldwell Consultants Canada Ltd. (referred to as "Brown and Caldwell" in this report), concerning their role to support development of the Healthy Waters Plan. The Healthy Waters Plan will guide billions of dollars in long-range investments, policies, and programs to address pollution from combined sewer overflows (CSOs) and urban rainwater runoff, meet the growth needs of the city, and tackle key risks related to climate change and aging infrastructure. Approval of this change order is necessary for completion of the Healthy Waters Plan.

The City's Procurement Policy (ADMIN-008) requires Council approve change orders when the cumulative value of change orders exceeds \$3,000,000, following review and recommendations

by the City's Bid Committee. The Bid Committee has considered the change order and recommends approval.

Council Authority/Previous Decisions

- On February 4, 2025, Council adopted the Key Directions for the Healthy Waters Plan and directed staff to report back with an implementation plan and the results of feasibility studies and other work.
- On January 20, 2021, following a competitive RFP process, Council authorized staff to negotiate an agreement with Brown and Caldwell with an estimated value of \$2,757,849 to develop a sewage and rainwater management plan (now referred to as the "Healthy Waters Plan").
- A previous Change Order was approved by Bid Committee on March 30, 2023 of \$1,708,163.00 prior to changes to the City's Procurement Policy (ADMIN-008) and effective January 1, 2024.
- The City's Procurement Policy (ADMIN-008) requires Council approve change orders when the cumulative value exceeds \$3,000,000 following review and recommendations by the City's Bid Committee.

City Manager's Comments

The City Manager concurs with the foregoing recommendations.

Context and Background

The Healthy Waters Plan

The Healthy Waters Plan will guide long-range investments, policies, and programs to address pollution from combined sewer overflows (CSOs) and urban rainwater runoff, meet the growth needs of the city, and tackle key risks related to climate change and aging infrastructure. Development of the plan incorporates a comprehensive technical analysis and a collaborative engagement process which includes the x^wməθk^{wə}yəm, S_kw_xwú7mesh Úxwumixw and səlilwətał, Metro Vancouver, senior government representatives and stakeholder groups. This includes work spanning over three phases (see Figure 1):

- Phase 1 - Current State Assessment and Strategic Framework of Guiding Principles, Goal Areas and Objectives (*completed – Council approved Feb 1, 2023*)
- Phase 2 – Develop Key Directions (*completed – Council approved Feb 4, 2025*)
- Phase 3 – Define the Implementation Plan (*target completion Q3 2026*)

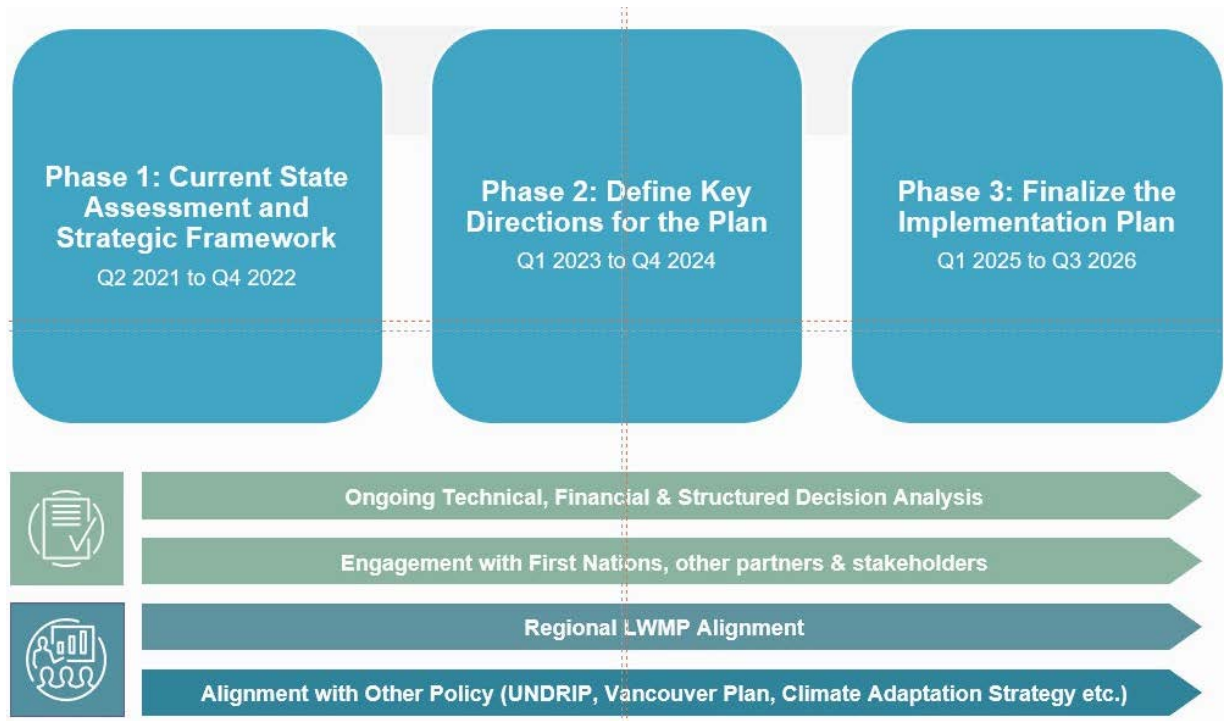


FIGURE 1. HEALTHY WATERS PLAN PROJECT PHASING

Background on the Procurement Process

Following Council's direction to staff to proceed with development of the Healthy Waters Plan, in Q3 2020 the City issued a competitive Request for Proposals to select a consultant to undertake technical analysis and support the planning and engagement process. Further to this, Council approved an agreement with Brown and Caldwell in January 2021. At that time, the scope of Phase 1 work was defined in detail, with less detailed placeholder scopes defined for Phases 2 and 3. This approach allowed for successive scope refinements to be made to respond to the outcomes of technical analysis and engagement.

Discussion

Existing Brown and Caldwell Contract

Following the competitive procurement process, Council approved a contract with Brown and Caldwell with an estimated value of \$2,757,849 plus applicable taxes. This value was based on a detailed scope defined for Phase 1, and much lower level of detail for "placeholder" scopes to be revised at a later date for Phases 2 and 3.

Change Orders to the Brown and Caldwell Contract

As per the City's Procurement Policy (ADMIN-008), any subsequent increases that exceed the cumulative change order value threshold of \$3,000,000 are subject to Council approval. A cumulative value of \$1,961,121 of change orders have already been approved by staff for the following services provided by Brown and Caldwell to complete Phase 2 work including analysis and engagement support to:

- Characterize Vancouver's five sewage and drainage basins;

- Develop analytical tools, including a financial model, a modelling tool to forecast CSOs and urban runoff pollution, and a multi-criteria decision analysis tool; and
- Develop and evaluate a range of different combinations of infrastructure typologies, programs, and policy options to inform the Key Directions of the Healthy Waters Plan approved by Council on Feb 4, 2025.

Including the original Contract value and the cumulative value of Change Orders approved to date, the City's Contract with Brown and Caldwell is currently valued at \$4,718,970.

Recommended Change Order to Complete Phase 3 Work

Staff is requesting that Council authorize the City's Director of Legal Services, Chief Procurement Officer, and General Manager of Engineering Services to negotiate and execute an additional \$1,704,290 change order to complete Phase 3 of the Healthy Waters Plan. This includes the following new scope of services:

- Consultant to develop an implementation plan to include:
 - an adaptive approach, factoring uncertainties related to climate change and growth, as well as scenarios with and without the limited use of CSO Rapid Treatment and Storage solutions;
 - performance targets to be used to guide implementation and plan adaptation;
 - investments targeted to maximize value-for-money outcomes for sewage and drainage investments; and
 - a financial plan to support delivery of affordable infrastructure services.
- Updates to sewer system modelling tools, development of a GIS-based tool to support prioritization of projects, and updates to a financial model to support future City investment planning and utility rate setting; and
- Partner and stakeholder engagement and support.

Subject to Council approval, factoring in the original contract value, approved change orders to date and the proposed change orders for Phase 3, the contract with Brown and Caldwell will have an estimated total value of \$6,423,260.

TABLE 1. ESTIMATED BROWN AND CALDWELL CONTRACT VALUE

	VALUE, EXCLUDING APPLICABLE TAXES
Original Contract Value	\$2,757,849
Cumulative value of Change Orders approved to date, including Bid Committee approval on March 30, 2023	\$1,961,121
Value of Proposed Change Order	\$1,704,290
Projected Total Contract Value	\$6,423,260

Financial Implications

Significant investment in the City's sewer and drainage infrastructure, both public and private, to support population growth, asset renewal needs, water quality, and climate change adaptation is expected to be in the billions of dollars over the coming decades. The costs of Metro Vancouver's regional infrastructure, including upgrades to wastewater treatment plants, adds to this pressure. The Healthy Waters Plan responds to the financial, social, and environmental imperative to ensure that the City optimizes investments and regulations to manage risks while delivering outcomes efficiently and affordably.

To date, Council has approved \$12.2 million of the multi-year capital project budget to support development of the Healthy Waters Plan, including staffing and consultancy work, for Phase 1 and Phase 2. Phase 3 is expected to be funded by the remaining \$3.4 million from the approved Multiyear Project Budget for 2023-2026 Clean Water Planning and \$1.1 million from the 2023-2026 Capital Plan for Targeted Combined Sewer Overflow separation program (strategic CSO & flood mitigation), subject to Council approval as part of annual budget process.

Legal Implications

The City's Procurement Policy (ADMIN-008) requires the Director of Legal Services to execute all contracts that have been awarded by the Bid Committee and Council.

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