

NO: R194

COUNCIL DATE: September 17, 2018

REGULAR COUNCIL

TO: Mayor and Council **DATE: September 13, 2018**

FROM: General Manager, Engineering **FILE: 0870-20/505C**

SUBJECT: Award of Contract No. 1220-030-2018-034
Cross Connection Control Program - Management of Backflow Prevention Assemblies

RECOMMENDATION

The Engineering Department recommends that Council:

1. Award Contract No. 1220-030-2018-034 to BSI Online, Inc. (“BSI”) in the amount of \$576,000, (including GST), to provide management of backflow prevention assemblies;
2. Set the expenditure authorization limit for Contract No. 1220-030-2018-034 at \$650,000, (including GST and contingency); and
3. Authorize the General Manager, Engineering to execute Contract No. 1220-030-2018-034.

BACKGROUND

The Cross Connection Control Program (the “CCC Program”) is a joint effort between the City and water consumers to protect the City’s drinking water system from contamination originating from private property. In the absence of backflow prevention assemblies, contaminants may enter the City’s water system through cross connections during a backflow event when the pressure in the City’s water system is low or negative. Low or negative pressure conditions exist when there is a water main break or extraordinary demand, for example, during a major fire fighting event. Therefore, the installation of backflow prevention assemblies is essential to isolate potential contaminants from entering the City’s water system as well as the private plumbing works.

The CCC Program comprises of three major components:

- Installation of new backflow prevention assemblies by property owners as part of building construction or retrofit. Approximately 500 new backflow prevention assemblies are installed each year;
- Installation of new backflow prevention assemblies by property owners as identified through the City’s Cross Connection Survey (“CC Survey”) to ensure that all cross connections within existing properties are isolated. Approximately 300 new backflow prevention assemblies are installed each year; and

- Annual testing of existing backflow prevention assemblies to ensure that they are maintained and in good working condition. Currently there are approximately 12,000 assemblies.

The CCC Program is a self-funded program under which the property owner pays a test report fee, currently set at \$34.00 for each backflow prevention assembly. This funds the CC Survey program, the management of the annual testing of backflow prevention assemblies, and staff time.

Since 2013, the City has adopted an online test report submission process to enforce the annual testing of backflow prevention assemblies, eliminating the need for manual data entry and paper report processing. Following the City's adoption of this approach, several municipalities in British Columbia, including the City of Port Moody, the City of White Rock, Clearbrook Water Works District, the City of Penticton, and the Town of Oliver, have completed similar transitions.

SCOPE OF WORK

The scope of work related to this Contract is consists of:

- Operation and maintenance of an online application that manages City's inventory of backflow prevention assemblies;
- Issuance of notice letters to remind property owners to arrange the annual testing of backflow prevention assemblies;
- Provision of customer service, including answering questions related to accessing the database, receipt of test reports, payment, and other general program practices; and
- Provision of an online database where City staff can access and assess the progress of the City's Annual Testing program.

TENDER RESULTS

A Request for Proposal ("RFP") was issued by the Engineering department via the BC Bid website on June 28, 2018, to hire a contractor to provide the scope of work for the CCC Program. One (1) contractor submitted a proposal by the deadline of July 12, 2018.

<i>Contractor</i>	<i>Proposed fee with GST and service charge</i>
1. BSI Online, Inc.	\$14.88 per test report

EVALUATION

BSI's proposal met all requirements set out in the RFP. BSI has managed the program since its inception in 2013 and BSI's past performance has been satisfactory. Their proposed fee and service charge for the next three (3) years is the same as what is currently being charged.

The total fee of \$14.88 per test report is comprised of two components. Firstly, the fee of \$13.60 to provide management services of backflow preventers compares well with the \$14.95 that BSI charges to other cities in British Columbia. The remaining fee of \$1.28 is to reimburse credit card charges and taxes to allow BSI to collect the total fee of \$34.00 and remit monthly to the City to fund all other costs associated with the CCC program. This fee is not applicable to cities that do not require BSI to collect additional fees on the City's behalf.

In 2012, three (3) contractors submitted proposals for the initial management contract. BSI was the only company that complied with the requirements. For comparison purposes only, in 2012, the fee of one contractor was \$15.00 (plus taxes). The fee of the other contractor's fee was \$8.95 (plus taxes); however, that fee would not have provided the service required by the City.

While only one proposal was received in response to July 12, 2018 deadline, the fee submitted by BSI is reasonable and compares well with fees offered to other Canadian cities for similar services.

The total estimated cost of the three (3) year contract, based on the existing and projected number of backflow prevention assemblies, is as follows:

	Number of Backflow Prevention Assemblies	Estimated Total Annual Fee and Service Charge
2019	12,100	\$180,000
2020	12,900	\$192,000
2021	13,700	\$204,000
Total	38,700	\$576,000

Based on the above, it is recommended that BSI be awarded Contract No. 1220-030-2018-034.

SUSTAINABILITY CONSIDERATIONS

The work of this Contract supports the objectives of the City's Sustainability Charter 2.0. In particular, this work relates to the Sustainability Charter 2.0 theme of Infrastructure. Specifically, this Contract supports the following Desired Outcomes ("DO") and Strategic Directions ("SD"):

- All Infrastructure DO03: Infrastructure systems are designed to protect human health, preserve environmental integrity, and be adaptable to climate impacts.
- Water DO16: Surrey's water is clean, abundant and safe for drinking.
- Water SD12: Continue to explore, develop and implement policies and tools to support water conservation and recovery.

FUNDING

Funding for this Contract is available in the approved 2018 Utilities Budget.

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JA/KL/jma/ggg