

**GREATER VANCOUVER WATER DISTRICT (GVWD)
BOARD OF DIRECTORS**

REGULAR BOARD MEETING

Friday, January 28, 2022

9:00 A.M.

**Meeting conducted electronically pursuant to the Procedure Bylaw
28th Floor Boardroom, 4515 Central Boulevard, Burnaby, British Columbia
Webstream available at <http://www.metrovancover.org>**

[Membership and Votes](#)

A G E N D A¹

A. ADOPTION OF THE AGENDA

1. January 28, 2022 Regular Meeting Agenda

That the GVWD Board adopt the agenda for its regular meeting scheduled for January 28, 2022 as circulated.

B. ADOPTION OF THE MINUTES

1. November 26, 2021 Regular Meeting Minutes

That the GVWD Board adopt the minutes for its regular meeting held November 26, 2021 as circulated.

pg. 3

C. DELEGATIONS

D. INVITED PRESENTATIONS

E. CONSENT AGENDA

Note: Directors may adopt in one motion all recommendations appearing on the Consent Agenda or, prior to the vote, request an item be removed from the Consent Agenda for debate or discussion, voting in opposition to a recommendation, or declaring a conflict of interest with an item.

¹ Note: Recommendation is shown under each item, where applicable. All Directors vote unless otherwise noted.

1. WATER COMMITTEE REPORTS

1.1 Award of Contract Resulting from Request for Qualifications (RFQ) No. 21-183: Supply and Delivery of Large Diameter Steel Pipe – Coquitlam Main No. 4 *pg. 7*

That the GVWD Board:

- a) approve the award of a contract in an amount of up to \$15,739,689 USD (exclusive of taxes) to Northwest Pipe Company resulting from Request for Qualifications (RFQ) No. 21-183 Supply and Delivery of Large Diameter Steel Pipe - Coquitlam Main No. 4, subject to final review by the Commissioner; and
- b) authorize the Commissioner and the Corporate Officer to execute the required documentation once the Commissioner is satisfied that the award should proceed.

F. ITEMS REMOVED FROM THE CONSENT AGENDA

G. REPORTS NOT INCLUDED IN CONSENT AGENDA

H. MOTIONS FOR WHICH NOTICE HAS BEEN GIVEN

I. OTHER BUSINESS

1. GVWD Board Committee Information Items and Delegation Summaries *pg. 13*

J. BUSINESS ARISING FROM DELEGATIONS

K. RESOLUTION TO CLOSE MEETING

Note: The Board must state by resolution the basis under section 90 of the Community Charter on which the meeting is being closed. If a member wishes to add an item, the basis must be included below.

That the GVWD Board close its regular meeting scheduled for January 28, 2022 pursuant to the *Community Charter* provisions, Section 90 (1) (e) as follows:

- “90 (1) A part of a board meeting may be closed to the public if the subject matter being considered relates to or is one or more of the following:
- (e) the acquisition, disposition or expropriation of land or improvements, if the board or committee considers that disclosure could reasonably be expected to harm the interests of the regional district.”

L. RISE AND REPORT (Items Released from Closed Meeting)

M. ADJOURNMENT/CONCLUSION

That the GVWD Board adjourn/conclude its regular meeting of January 28, 2022.

**GREATER VANCOUVER WATER DISTRICT
BOARD OF DIRECTORS**

Minutes of the Regular Meeting of the Greater Vancouver Water District (GVWD) Board of Directors held at 10:38 a.m. on Friday, November 26, 2021 in the 28th Floor Boardroom, 4515 Central Boulevard, Burnaby, British Columbia.

MEMBERS PRESENT:

Burnaby, Chair, Director Sav Dhaliwal
North Vancouver City, Vice Chair Director
Linda Buchanan
Anmore, Director John McEwen*
Belcarra, Director Jamie Ross*
Burnaby, Director Pietro Calendino*
Burnaby, Director Mike Hurley*
Coquitlam, Director Craig Hodge*
Coquitlam, Director Richard Stewart*
Delta, Director George Harvie*
Delta, Director Dylan Kruger*
Electoral Area A, Director Jen McCutcheon*
Langley City, Director Gayle Martin*
Langley Township, Director Jack Froese
Langley Township, Director Kim Richter*
Maple Ridge, Director Mike Morden*
New Westminster, Director Jonathan Côté*
North Vancouver District, Director Lisa Muri*
Pitt Meadows, Director Bill Dingwall*
Port Coquitlam, Director Brad West*

Port Moody, Director Rob Vagramov*
Richmond, Director Malcolm Brodie*
Richmond, Director Harold Steves*
Surrey, Director Linda Annis*
Surrey, Director Doug Elford*
Surrey, Director Laurie Guerra*
Surrey, Alternate Director Brenda Locke* for
Mandeep Nagra
Surrey, Director Doug McCallum*
Surrey, Director Allison Patton*
Tsawwassen, Director Ken Baird*
Vancouver, Director Christine Boyle*
Vancouver, Director Adriane Carr*
Vancouver, Director Melissa De Genova*
Vancouver, Director Lisa Dominato*
Vancouver, Director Colleen Hardwick*
Vancouver, Director Kennedy Stewart*
Vancouver, Director Michael Wiebe*
West Vancouver, Director Mary-Ann Booth
Commissioner Jerry W. Dobrovolny
(Non-voting member)

MEMBERS ABSENT:

None

STAFF PRESENT:

Chris Plagnol, Corporate Officer
Natalia Melnikov, Legislative Services Coordinator, Board and Information Services

*denotes electronic meeting participation as authorized by Section 3.6.2 of the *Procedure Bylaw*

A. ADOPTION OF THE AGENDA

1. November 26, 2021 Regular Meeting Agenda

It was MOVED and SECONDED

That the GVWD Board adopt the agenda for its regular meeting scheduled for November 26, 2021 as circulated.

CARRIED

B. ADOPTION OF THE MINUTES

1. October 29, 2021 Regular Meeting Minutes

It was MOVED and SECONDED

That the GVWD Board adopt the minutes for its regular meeting held October 29, 2021 as circulated.

CARRIED

C. DELEGATIONS

No items presented.

D. INVITED PRESENTATIONS

No items presented.

E. CONSENT AGENDA

It was MOVED and SECONDED

That the GVWD Board adopt the recommendation presented in the following item as presented in the November 26, 2021 GVWD Board Consent Agenda:

- 1.1 Greater Vancouver Water District and Member Jurisdictions Water Use by Sector Report 1985-2019

CARRIED

The item and recommendation referred to above is as follows:

1.1 Greater Vancouver Water District and Member Jurisdictions Water Use by Sector Report 1985 – 2019

Report dated October 13, 2021, from Lucas Pitts, Acting Director, Policy, Planning and Analysis, Water Services, presenting the GVWD Board with a planning tool for Metro Vancouver and member jurisdictions that can be used to facilitate the planning, development, and implementation of water conservation and management programs.

Recommendation:

That the GVWD Board receive for information the report titled "Greater Vancouver Water District and Member Jurisdictions Water Use by Sector Report 1985 – 2019".

Adopted on Consent

F. ITEMS REMOVED FROM THE CONSENT AGENDA

No items presented.

G. REPORTS NOT INCLUDED IN CONSENT AGENDA

No items presented.

H. MOTIONS FOR WHICH NOTICE HAS BEEN GIVEN

No items presented.

I. OTHER BUSINESS

1. GVWD Board Committee Information Items and Delegation Summaries

It was MOVED and SECONDED

That the GVWD Board receive for information the GVWD Board Committee Information Items and Delegation Summaries, dated November 26, 2021.

CARRIED

J. BUSINESS ARISING FROM DELEGATIONS

No items presented.

K. RESOLUTION TO CLOSE MEETING

It was MOVED and SECONDED

That the GVWD Board close its regular meeting scheduled for November 26, 2021 pursuant to the *Community Charter* provisions, Section 90 (1) (e) as follows:

"90 (1) A part of a board meeting may be closed to the public if the subject matter being considered relates to or is one or more of the following:

- (e) the acquisition, disposition or expropriation of land or improvements, if the board or committee considers that disclosure could reasonably be expected to harm the interests of the regional district."

CARRIED

L. RISE AND REPORT (Items Released from Closed Meeting)

No items presented.

M. ADJOURNMENT/CONCLUSION

It was MOVED and SECONDED

That the GVWD Board adjourn its regular meeting of November 26, 2021.

CARRIED

(Time: 10:39 a.m.)

CERTIFIED CORRECT

Chris Plagnol, Corporate Officer

Sav Dhaliwal, Chair

49275297 FINAL

To: Water Committee

From: Roy Moulder, Director, Purchasing and Risk Management, Financial Services
Bob Cheng, Director, Major Projects, Project Delivery

Date: January 6, 2022 Meeting Dates: January 12, 2022

Subject: **Award of Contract Resulting from Request for Qualifications (RFQ) No. 21-183:
Supply and Delivery of Large Diameter Steel Pipe – Coquitlam Main No. 4**

RECOMMENDATION

That the GVWD Board:

- a) approve the award of a contract in an amount of up to \$15,739,689 USD (exclusive of taxes) to Northwest Pipe Company resulting from Request for Qualifications (RFQ) No. 21-183 Supply and Delivery of Large Diameter Steel Pipe - Coquitlam Main No. 4, subject to final review by the Commissioner; and
 - b) authorize the Commissioner and the Corporate Officer to execute the required documentation once the Commissioner is satisfied that the award should proceed.
-

EXECUTIVE SUMMARY

The new Coquitlam Main No. 4 will address a capacity shortfall in the existing Coquitlam conveyance system, and also provide additional capacity for the future Coquitlam Lake Water Supply Project. The 12 km long Coquitlam Main No. 4 consists of four sections and is being designed and constructed in stages with the first South Section commencing in fall 2022, in advance of the City of Coquitlam's Pipeline Road Upgrade project, which is scheduled to start in fall 2023. Pre-supply of steel pipe by Metro Vancouver is required due to the long lead time (estimated at 9 months) for pipe supply. The current target year for completion and commissioning of the Coquitlam Main No. 4 in its entirety is 2029.

Request for Qualifications (RFQ) No. 21-183 Supply and Delivery of Large Diameter Steel Pipe – Coquitlam Main No. 4 South Section was issued on July 7, 2021. Negotiations were carried out on December 22, 2021 with the sole respondent which resulted in a savings of \$326,851 and an additional six months (fifteen months total) of pipe storage at the plant. Award of a contract for steel pipe supply and delivery, in an amount of up to \$15,739,689 USD (exclusive of taxes) to Northwest Pipe Company, is recommended.

PURPOSE

This report is to advise the GVWD Board of the results of the Request for Qualifications (RFQ) No. 21-183 Supply and Delivery of Large Diameter Steel Pipe – Coquitlam Main No. 4, and to recommend award of the contract for steel pipe supply and delivery for the Coquitlam Main No. 4 South Section in the amount of up to \$15,739,689 USD (exclusive of taxes) to Northwest Pipe Company.

BACKGROUND

Pursuant to the GVWD *Officers and Delegation Bylaw No. 247, 2014 (Bylaw)* and the *Procurement and Real Property Contracting Authority Policy (Policy)*, procurement contracts that exceed a value of \$5 million require the approval of the GVWD Board of Directors.

This report is being brought forward to the Water Committee to consider a recommendation to the GVWD Board to authorize award of a contract for steel pipe supply and delivery for the Coquitlam Main No. 4 South Section.

PROJECT DESCRIPTION

The new Coquitlam Main No. 4, consisting of 12 km of water main ranging in diameter from 2.2 m to 3.5 m, will address a capacity shortfall in the existing Coquitlam conveyance system, and also provide additional capacity for the future Coquitlam Lake Water Supply Project. Coquitlam Main No. 4, consisting of the Central, South, Tunnel and Cape Horn Sections, needs to be constructed and commissioned by 2029 to avoid impacting the delivery of water to the southern and eastern areas of the region.

The detailed design for the 1.5 km long South Section, as shown on the Attachment, is near completion. Construction of the South Section will start in fall 2022 to accommodate the City of Coquitlam's Pipeline Road Upgrade Project, which is anticipated to start in fall 2023. Steel pipe procurement is a long lead item (estimated at 9 months). In order to meet the construction schedule, the steel pipe supply and delivery contract needs to commence in early 2022. Contractor supplied pipe would delay the start of construction to summer 2023 and consequently delay the City's road upgrade project. The scope of supply is for approximately 1,566 m of 1,829 mm to 3,150 mm (72 in to 124 in) diameter steel pipe.

Request for Qualifications (RFQ) No. 21-183 Supply and Delivery of Large Diameter Steel Pipe – Coquitlam Main No. 4 was issued on July 7, 2021 and closed on July 30, 2021. Only one proposal was received from Northwest Pipe Company.

Negotiations were carried out on December 22, 2021, as is allowed for in the competition document. Through the negotiations, staff were able to secure cost reductions of \$326,851 and an additional six months pipe storage at the plant. Those reductions were the result of Metro Vancouver assuming greater financial risk, which has been deemed acceptable due the long relationship with Northwest Pipe Company. Metro Vancouver will pay in USD to eliminate the manufacturer markups for currency exchange fluctuations. Also a revised payment structure for key stages in the production and delivery of the pipe has been negotiated. In the past Metro Vancouver paid for the pipe upon delivery, which could be months after the pipe had been manufactured. By doing so, Northwest Pipe Company has minimal carrying costs under the new structure. In addition, this new payment structure reduces the typical storage costs incurred to a minimum. Historically, storage costs for a fifteen month duration would be approximately \$700,000.

Proponent	Proposal Price (exclusive of taxes)
Northwest Pipe Company	\$16,066,540 USD

The proposal pricing is much higher than it has been in previous years' pipe supply contracts, mainly due to the significant escalation in steel market pricing; the American Metal Market index more than tripled in the past year, increasing from USD \$506 in June 2020 to USD \$1,655 per ton of raw steel in June 2021. The large diameter Coquitlam Main No. 4 South Section steel pipe (3,150 mm diameter) precludes the use of Northwest Pipe Company's Portland facility and will have to be manufactured at their Southern California facility, resulting in higher shipping costs. Furthermore, larger diameter pipes cost more to manufacture.

Given the increase in unit prices for steel, the cost of the pipe for Coquitlam Main No. 4 South Section is reasonable. A similar sized pipe supply contract that was procured in 2019 for the Northeast Water Purification Plant (NEWPP) Expansion Project in Houston, Texas, as shown in Table 1, shows a comparable unit price to the quoted price for Coquitlam Main No. 4 South Section.

Table 1: Steel Pipe Supply Price Comparison (prices are exclusive of taxes):

Project	Location	Pipe Size	Lining & Manufacturing Process	Steel Price (USD/ton)	Contract/ Quote Price (USD/ton)
NEWPP - Package 8 Yard Piping for North Plant (2019)	Houston, TX	3,048mm (120 in)	Cement mortar lining, Spiral mill process	\$827 (2019) \$2,020 (2021)*	\$3,071 (2019) \$6,902 (2021)**
Coquitlam Main No. 4 South Section	Coquitlam, BC	3,150mm (124 in)	Epoxy lining, Rolled and welded plate fabrication	\$2,050	\$6,847

**Price adjusted for increase in steel costs.*

***Price adjusted for freight equalization and upgrade to epoxy lining.*

The initial award is for COQ4 South Section only. Steel pipe supply for the Central and Cape Horn Sections shall be subject to a further competitive process. Steel pipe for the fourth and final Tunnel Section will be the contractor's responsibility due to a longer tunnel construction duration.

The number of qualified steel pipe manufacturers in North America capable of or willing to supply pipe for Metro Vancouver projects is limited due to a number of factors, including Northwest Pipe Company acquiring Ameron Water Transmission Group in 2018, geographical disadvantage for eastern firms resulting in higher shipping costs, lack of familiarity and experience in supplying pipe to British Columbia, and the current high demand of local markets. This has resulted in a number of North American water utilities, including City of Los Angeles, City of Calgary and Metropolitan Water District of Southern California, purchasing steel directly or through their contractors from Northwest Pipe Company.

Canadian steel pipe manufacturers (Canadian Phoenix, Pipe and Piling, Ewing Fabricators) have responded to prior RFQ's, but did not advance due to their manufacturing facilities either in Canada or Asia not being capable of producing steel pipe to meet Metro Vancouver specifications. Metro Vancouver specifications are in accordance with AWWA along with supplemental requirements. Project Delivery staff have worked with Water Services staff to investigate if Metro Vancouver specifications can be relaxed to qualify more suppliers. Minor adjustments are being considered and/or implemented for future competition specifications. However, it has been concluded that the

current specifications should be maintained to ensure a high quality steel pipe product that will meet the intended 100-year design life of Metro Vancouver's water mains.

In order to expand the bidders pool and promote competition for future Metro Vancouver water projects, staff from Project Delivery, Water Services and Finance are continuing to work together to conduct market soundings to identify potential additional suppliers. Purchasing staff continue to actively pursue other known large diameter pipe suppliers to encourage them to bid on future opportunities, including reaching out to past suppliers as well as to those suppliers who traditionally do not bid on works outside of the United States. Solicitation of offshore bidders remains a possibility in the future if they are able to satisfy our pre-qualification criteria, meet the required technical specifications and remain commercially competitive.

ALTERNATIVES

1. That the GVWD Board:
 - a) approve the award of a contract in an amount of up to \$15,739,689 USD (exclusive of taxes) to Northwest Pipe Company resulting from Request for Qualifications (RFQ) No. 21-183 Supply and Delivery of Large Diameter Steel Pipe - Coquitlam Main No. 4, subject to final review by the Commissioner; and
 - b) authorize the Commissioner and the Corporate Officer to execute the required documentation once the Commissioner is satisfied that the award should proceed.
2. That the GVWD Board not approve the award for pipe supply and delivery to Northwest Pipe Company resulting from RFQ No. 21-183, and direct staff to report back to the GVWD Board with options for an alternate course of action.

FINANCIAL IMPLICATIONS

If the GVWD Board approves Alternative 1, a contract will be awarded to Northwest Pipe Company in the amount of up to \$15,739,689 USD (exclusive of taxes) for Supply and Delivery of Large Diameter Steel Pipe - Coquitlam Main No. 4 South Section. The approved GVWD budget for construction can accommodate the proposed price.

The GVWD Board has the choice to not proceed with Alternative 1, but staff will need further direction on how to proceed with the project. It will result in a delay to the project schedule and is anticipated to add additional costs to the overall project and likely impact the schedule of the City of Coquitlam's Pipeline Road Upgrade Project.

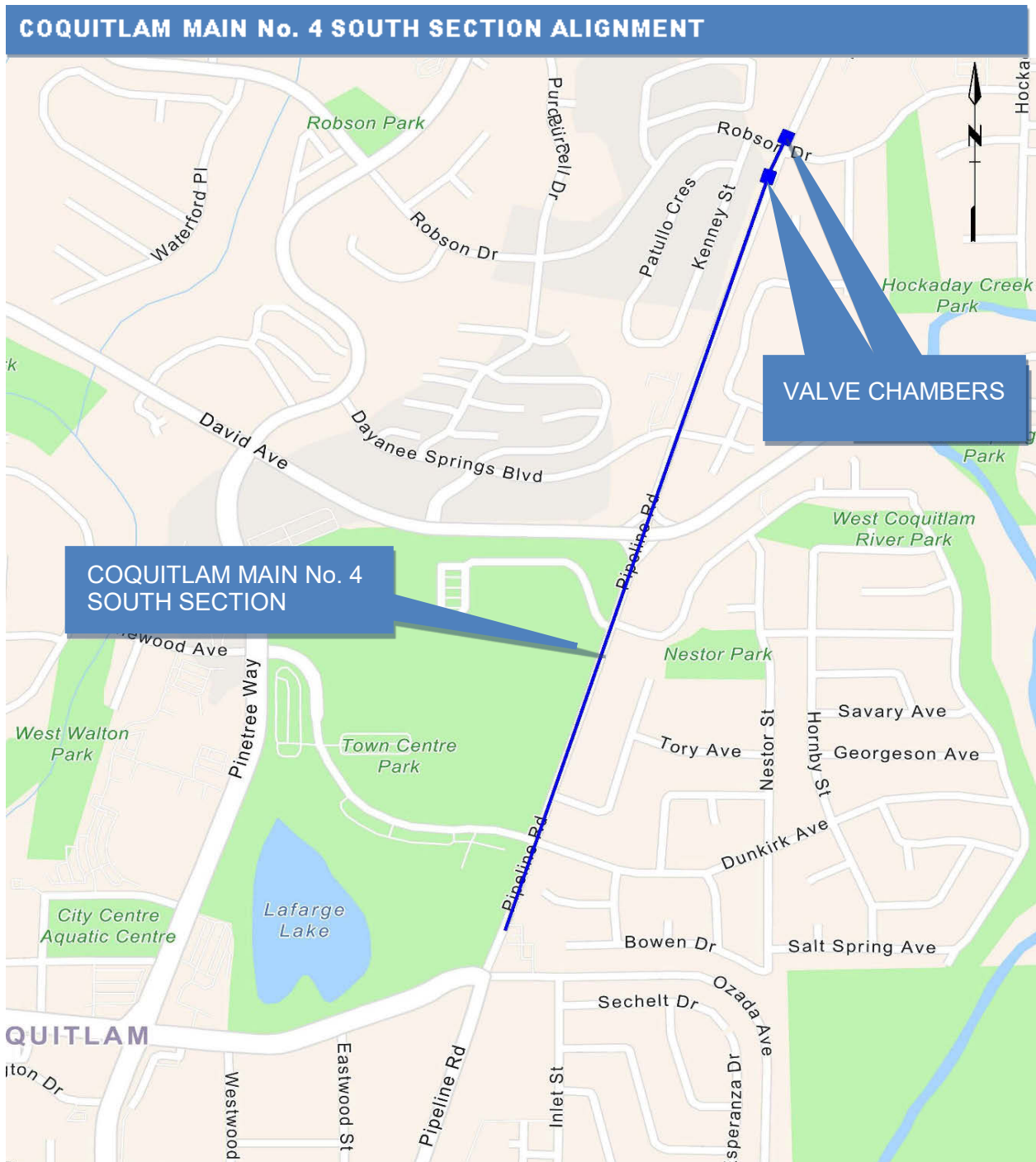
CONCLUSION

Request for Qualifications No. 21-183 was issued for the supply and delivery of steel pipe for Coquitlam Main No. 4, and Northwest Pipe Company was the only supplier that submitted a proposal. Based on the evaluation of the proposal and negotiations with Northwest Pipe Company it is recommended that the GVWD Board authorize the Commissioner and the Corporate Officer to award and execute the contract to Northwest Pipe Company in the amount of up to \$15,739,689 USD (exclusive of taxes) for the Coquitlam Main No. 4 South Section steel pipe supply and delivery.

Attachment

Coquitlam Main No. 4 South Section Alignment

49289954



COMMITTEE INFORMATION ITEMS AND DELEGATION SUMMARIES

Greater Vancouver Water District

Board Meeting Date – Friday, January 28, 2022

This information item, listing recent information received by committee, is provided for the GVWD Board's information. Please access a complete PDF package [here](#).

Water Committee – January 12, 2022

Delegation Summaries:

No Summary provided

Information Items:

- 5.2 Quality Management System for Drinking Water Update
- 5.3 Regional Water Supply System Lifeline Study: Seismic Vulnerability Assessment

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