

**ADDENDUM**  
REGULAR COMMITTEE OF THE WHOLE MEETING  
SHAW AUDITORIUM, 80 COMMERCIAL STREET, NANAIMO, BC  
MONDAY, 2015-MAY-11, AT 4:30 P.M.

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- |    | <b>PRESENTATIONS:</b>   | <b>PAGES</b>   |
|----|---|----------------|
| 5. | <p>(a) Mr. Bruce Halliday, General Manager, Port Theatre, to provide a presentation regarding the Port Theatre project update – add the following delegation:</p> <p style="margin-left: 40px;">1. Mr. Tim McGrath</p>  |                |
| 6. | <p><b>ADMINISTRATION:</b></p> <p>(b) Add Direct Award to GeoStabilization International Report</p> <p style="margin-left: 40px;"><i>Purpose: To confirm Council's direction to award a sole-source contract to GeoStabilization International (GSI) to be the design/build contractor for the slope stabilization portion of the Lower Colliery Dam remediation, subject to receiving Council/Provincial approval.</i></p> <p style="margin-left: 40px;"><u>Staff Recommendation:</u> That Council direct staff to enter into an agreement with GeoStabilization International that would have them become the design/build contractor for the slope stabilization portion of the Lower Colliery Dam remediation, should this be the option selected by Council, is determined to be technically feasible by an independent expert, and is approved by the Comptroller of Water Rights.</p> | <i>Pg. 2-4</i> |
| 8. | <p><b>COMMUNITY SERVICES:</b></p> <p>(a) Beban Park Master Plan Update – add the following delegations:</p> <p style="margin-left: 40px;">3. Mr. Ian Kalina and Mr. Chris Beaton</p> <p style="margin-left: 40px;">4. Mr. Christopher Brown</p> <p style="margin-left: 40px;">5. Mr. Peter McCaffery</p> <p>(c) Request for Proposal – Animal Control – add the following delegation:</p> <p style="margin-left: 40px;">1. Ms. Hermine Hicks</p>  |                |

**City of Nanaimo**  
**REPORT TO COUNCIL**

DATE OF MEETING: 2015-MAY-11

AUTHORED BY: TOBY SEWARD, ACTING GENERAL MANAGER  
COMMUNITY DEVELOPMENT & PROTECTIVE SERVICES

RE: DIRECT AWARD TO GEOSTABILIZATION INTERNATIONAL

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**STAFF RECOMMENDATION:**

That Council direct staff to enter into an agreement with GeoStabilization International that would have them become the design/build contractor for the slope stabilization portion of the Lower Colliery Dam remediation, should this be the option selected by Council, is determined to be technically feasible by an independent expert, and is approved by the Comptroller of Water Rights.

**PURPOSE:**

To confirm Council's direction to award a sole-source contract to GeoStabilization International (GSI) to be the design/build contractor for the slope stabilization portion of the Lower Colliery Dam remediation, subject to receiving Council/Provincial approval.

**BACKGROUND:**

At the Regular Council Meeting held 2015-APR-27, Council approved a multi-part motion related to Colliery Dams that included:

- Engage engineering consultants (Golder Associates, Herold Engineering, GeoStabilization International and/or others) to assist the City in preparation of engineering designs, costs, and timelines to review the remediation options.

GSI's primary service is as a design/build contractor for erosion control/slope stabilization. GSI has advised they will provide a design/build slope stabilization solution using articulated concrete blocks (ACB), secured by grouted concrete anchors. The solution GSI proposes will be evaluated by an independent expert (as required by the Comptroller) to determine if the ACB system is technically feasible.

**DISCUSSION:**

As Council is aware, the timelines included in the Order from the Comptroller of Water Rights are extremely tight. The City must:

- a) Select and submit a remediation option to the Comptroller by 2015-JUN-01;
- b) Prepare and submit a design report and construction plans for approval under Section 4 of the B.C. Dam Safety Regulation by 2015-JUN-22; and
- c) Substantially complete the chosen remediation option by 2015-NOV-15.

☐ Council  
☒ Committee of the Whole  
☒ Open Meeting  
☐ In-Camera Meeting  
Meeting Date: 2015-MAY-11

The City already has engaged Golder Associates to address dam engineering issues and, through Golder, Herold Engineering to address structural design issues.

In order to pursue the slope stabilization portion of the remediation, the City needs to incorporate design aspects of GSI's solution, but in doing so at the design stage, it commits the City to using GSI if the slope stabilization option is approved.

In an attempt to meet deadlines in the Comptroller's Order, it is advantageous for the City to commit to a design/build contractor who will ultimately carry out the slope stabilization portion of the improvements to the Lower Colliery Dam.

Although they have been involved in several discussions over the past ten months, the City does not have any formal agreement with GSI. Council's motion from the meeting on 2015-APR-27 does not specifically commit to using GSI going forward, but the reality is the timelines identified in the Comptroller's 2015-APR-29 Order do not allow for the City to go through a formal tendering process. The City would not likely even have responses to a tender/RFP by the 2015-JUN-01 deadline.

The City's Purchasing Policy requires staff to competitively tender work unless certain criteria are met. In this case, the tight timelines and GSI's previous review of the project make them the only choice if work is to be completed in 2015.

Council has the authority to award the work directly to GSI. There are risks in any sole-source award, particularly in the case of a design/build agreement. City staff have no direct experience in working with GSI. Without a tendering or RFP process, it is impossible to know if the City is receiving the best value.

It is also not possible to know how much the City is committing to spend. GSI originally stated they would undertake the remediation work for stabilizing the embankments for both the Middle and Lower Colliery Dams for a price not exceeding \$3 million. They have since stated that the cost relating to the Middle Dam is approximately \$1 million, leaving an estimate of \$2 million for the Lower Colliery Dam.

There are a number of other costs that are over and above the \$2.0 million that GSI initially estimated for slope stabilization of the Lower Dam. These costs are as follows:

- **Increased design standards:** GSI has stated their proposal does not meet applicable dam safety standards/guidelines, therefore, it is likely the design/expert review process will lead to increased design standards and therefore increased costs.
- **Slope Contouring/Overland Water Flow Treatment:** The initial engineering analysis of the overtopping option last year determined that slope contouring and overland water flow from the base of the slope would need to be addressed. These issues are not addressed in GSI's initial proposal.
- **Spillway/Dam Improvements:** The initial engineering analysis of the overtopping option last year determined the spillway walls would have to be increased by 1.5 meters, along with other improvements, to address overtopping. These issues are being addressed by Golder/Herold and are not included in work proposed by GSI.
- **Engineering/Independent Expert Review:** Engineering costs, including third-party reviewer's costs, are not determined as yet.

- **Permits:** Prior to construction, various permits will be required, supported by technical analysis by consultants.
- **Other:** During design, construction, and after completion of the work, various other costs may arise, which are usually included in the project budget as a contingency. No contingency is currently included. Examples of issues that could result in additional costs are unknown soil conditions, contaminated materials, landscaping, fencing, replacement bridge, etc.

At this time, Council has not selected a remediation option for submission to the Comptroller for his approval by 2015-JUN-01. Therefore, the agreement with GSI would have to take into account the possibility another option may be chosen, or that the Comptroller will not approve this option.

If Council proceeds with sole-sourcing, staff would return to Council prior to construction, with a project budget and report on possible funding sources.

Respectfully submitted,



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TOBY SEWARD  
ACTING GENERAL MANAGER  
COMMUNITY DEVELOPMENT & PROTECTIVE SERVICES

CITY MANAGER COMMENT:

I concur with the staff recommendation.

Drafted: 2015-MAY-11  
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