

## Report to Civic Works Committee

**To:** Chair and Members  
Civic Works Committee  
**From:** Kelly Scherr, P.Eng., MBA, FEC  
Deputy City Manager, Environment & Infrastructure  
**Subject:** Contract Price Increase: 2022 Sewer Lining Contract  
**Date:** July 18, 2023

## Recommendation

That, on the recommendation of the Deputy City Manager, Environment and Infrastructure, the following actions **BE TAKEN** with respect to the 2022 Sewer Lining Contract:

- a) The 2022 Sewer Lining Contract (RFP-2022-120) contract value with Insituform Technologies Ltd. **BE INCREASED** by \$33,795.70 to \$4,407,511.80 (excluding HST) in accordance with Section 20.3 (e) of the Procurement of Goods and Services Policy;
- b) the financing for these projects **BE APPROVED** as set out in the Sources of Financing Report attached hereto as Appendices 'A';
- c) the Civic Administration **BE AUTHORIZED** to undertake all the administrative acts that are necessary in connection with these projects; and
- d) the Mayor and City Clerk **BE AUTHORIZED** to execute any contract or other documents, if required, to give effect to these recommendations.

## Executive Summary

The City of London uses trenchless sewer repairs, where appropriate, to repair damaged sewers without having to perform open cut construction. Cured In Place Pipe (CIPP) repairs involve inserting a resin filled felt or fibreglass tube into a sewer, inflating the tube and adding heat (via steam or hot water) or ultraviolet light to cure the resin. The result is a “new” sewer with a life expectancy of 50+ years.

The 2022 Sewer Lining contract requires an amendment due to additional cleaning and restoration costs. The City’s Procurement of Goods and Services Policy requires Council approval for this amendment.

## Linkage to the Corporate Strategic Plan

This recommendation supports the following 2023-2027 Strategic Plan area of focus:

- Climate Action and Sustainable Growth:
  - The infrastructure gap is managed for all assets; and
  - London’s infrastructure is built, maintained, and secured to support future growth and protect the environment;

## Analysis

### 1.0 Background Information

#### 1.1 Previous Reports Related to this Matter

- Civic Works Committee – July 26, 2022 – Request for Proposal RFP2022-120 Contract Award of 2022 Sewer Lining (CIPP).

## **2.0 Discussion and Considerations**

### **2.1 Discussion**

The City of London's annual Sewer Lining Program uses trenchless technologies to reinstate and extend the life of existing storm and sanitary sewer infrastructure. This program avoids the large capital costs of open-cut construction by using cost effective trenchless technology. The installation of a liner can be completed in several days as compared to months for open cut repairs greatly reducing the social impacts.

The City of London began installing full-length sewer lining repairs in 1989. Beginning in the late 1990s, the Sewer Lining Program was expanded and became an important part of London's capital renewal strategy. Since 2007, there have been 244 km of liners installed through the annual Cured In Place Pipe (CIPP) lining program.

The 2022 program consisted of approximately 1 km of trunk sanitary sewer lining. The large diameter sanitary sewers required flow bypass to accommodate the lining. The sewers lined in 2022 included:

- 535m of trunk sanitary sewer along Thames Valley Parkway (TVP) from Grosvenor Street to the south side of Oxford Street East (all 900mm diameter sanitary sewer).
- 460m of trunk sanitary sewer along Eleanor Street from Dundas Street to Frances Street (1050mm and 1200mm diameter sanitary sewer).

The 2022 CIPP Sewer Lining Program (RFP-2022-120) was awarded to Insituform Technologies Limited at the tender price of \$4,077,716.10 including \$300,000.00 contingency. During the project, it was determined there was a benefit to extend the Gibbons trunk sanitary sewer lining from Oxford St E to Ann St, which was initially scheduled for 2023. Due to unexpected challenges, a large portion of the contract contingency had already been committed. A contract extension of \$296,000.00 was approved by the City Manager via delegated authority on August 23, 2022 to advance this section of lining work. This took advantage of 2022 prices, an existing Thames Valley Pathway detour, and temporary sewer infrastructure already in place for the 2022 project.

As the work on the lining contract extension commenced, unanticipated debris and property access issues were encountered. Additional time and effort were needed to complete the added work, including restoration. An additional \$33,795.70 is required to process payment for this work, bringing the total upset limit for the contract to \$4,407,511.80.

### **3.0 Financial Impact/Considerations**

An additional \$33,795.70 is required to cover the additional costs associated with the 2022 Sewer Lining Contract for additional sewer cleaning, property access, and restoration costs. This funding is available in the approved Wastewater capital budget as per the Source of Financing attached as Appendix 'A'.

## **Conclusion**

In accordance with Section 20.3 (e) of the Procurement of Goods and Services Policy, it is recommended that the contract value be amended for 2022 Sewer Lining Contract (RFP-2022-120) to address additional cleaning and restoration required as part of the contract.

**Prepared by:** Kyle Chambers, P.Eng.  
Division Manager, Sewer Engineering

**Submitted by:** Ashley Rammeloo, MMSc, P.Eng.  
Director, Water, Wastewater, and Stormwater

**Recommended by:** Kelly Scherr, P.Eng., MBA, FEC  
Deputy City Manager, Environment and Infrastructure

cc: Yanzhen Ou, Program Manager, Sewer Engineering  
Dave Jones, Senior Technologist, Sewer Engineering

Appendix 'A' – Source of Financing:

**Appendix "A"**

**#23147**

July 18, 2023

(Contract Increase)

Chair and Members  
Civic Works Committee

RE: Contract Price Increase: 2022 Sewer Lining Contract  
(Subledger WW220003)  
Capital Project ES269320 - Sewer Relining  
Insituform Technologies Ltd. - \$4,407,511.80 (excluding HST)

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**Finance Supports Report on the Sources of Financing:**

Finance Supports confirms that the cost of this project can be accommodated within the financing available for it in the Capital Budget and that, subject to the approval of the recommendation of the Deputy City Manager, Environment and Infrastructure, the detailed source of financing is:

<b>Estimated Expenditures</b>	<b>Approved Budget</b>	<b>Committed To This Date</b>	<b>This Submission</b>	<b>Balance for Future Work</b>
Construction	4,516,710	4,438,453	34,390	43,867
<b>Total Expenditures</b>	<b>\$4,516,710</b>	<b>\$4,438,453</b>	<b>\$34,390</b>	<b>\$43,867</b>

**Sources of Financing**

Capital Sewer Rates	4,516,710	4,438,453	34,390	43,867
<b>Total Financing</b>	<b>\$4,516,710</b>	<b>\$4,438,453</b>	<b>\$34,390</b>	<b>\$43,867</b>

**Financial Note:**

Contract Price	\$4,407,512
Less amount previously approved	4,373,716
Contract Price	33,796
Add: HST @13%	4,393
Total Contract Price Including Taxes	38,189
Less: HST Rebate	-3,799
Net Contract Price	\$34,390

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Jason Davies  
Manager of Financial Planning & Policy

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