

Report to Civic Works Committee

To: Chair and Members
Civic Works Committee
From: Kelly Scherr, P.Eng., MBA, FEC
Deputy City Manager, Environment and Infrastructure
Subject: Contract Award: RFT 2023 – 030
Watermain Cleaning and Lining Services
Date: August 15, 2023

Recommendation

That, on the recommendation of the Deputy City Manager, Environment and Infrastructure, the following actions **BE TAKEN** with respect to the award of contract for RFT 2023-030 Watermain Cleaning and Lining Services:

- a) The bid submitted by Fer-Pal Construction Ltd at its tendered price of \$6,498,810.00, excluding HST, for Watermain Cleaning and Lining Services, **BE ACCEPTED**; it being noted that the bid submitted by Fer-Pal Construction Ltd was the lowest of two bids received and meets the City's specifications and requirements in all areas and that this is the first year of a five year contract, where the City has the sole discretion to renew the contract for four additional years based on price and performance;
- b) the financing for this project **BE APPROVED** as set out in the Sources of Financing Report attached hereto as Appendix "A";
- c) the Civic Administration **BE AUTHORIZED** to undertake all the administrative acts that are necessary in connection with this project;
- d) the approval given, herein, **BE CONDITIONAL** upon the Corporation entering into a formal contract, or issuing a purchase order for the material to be supplied and the work to be done, relating to this project; and
- e) the Mayor and City Clerk **BE AUTHORIZED** to execute any contract or other documents, if required, to give effect to these recommendations.

Executive Summary

This report recommends the award of a tender to a contractor to undertake watermain cleaning and structural re-lining as shown on the location map in Appendix B.

Since 1989, the City has been rehabilitating watermains using innovative trenchless technologies which include cement mortar lining and more recently structural lining. These methods allow the City to eliminate water quality problems (red/rusty looking water), improve fire flows, gain additional years of life from the mains and delay the need for full replacement reconstruction projects which are both expensive and socially disruptive. The aesthetic water quality in these rehabilitated watermains is dramatically improved.

Linkage to the Corporate Strategic Plan

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

- Climate Action and Sustainable Growth:

- 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

- CWC – March 10, 2022 – Contract Award: 2020 Watermain Cleaning and Structural Lining RFT 20-23.

2.0 Discussion and Considerations

2.1 Discussion

Currently the City focusses structural lining on areas of the City where there are no lead services, no other current infrastructure replacement needs (i.e. roads or sewers), and a high frequency of main breaks on cast iron watermain. In areas where structural lining has been performed, the occurrence of watermain breaks has dropped to zero in most cases. Structural lining also extends the life of watermain by 50 years or more when done on watermain that meet the criteria above, and costs 40% lower than traditional open-cut watermain replacement. In general, trenchless technologies, such as structural lining, have substantially lower social and environmental impacts when compared to traditional open-cut techniques.

2.2 Project Description

The current project involves the cleaning and structural lining of approximately 4000 metres of watermain on Lyman Street, Kenwood Crescent, Boullee Street, Victoria Street, Taylor Street, Grosvenor Street, Preston Street, Sevilla Park Place, Northbrae Drive, Kenmore place, Melsandra Avenue, Lauderdale Avenue, Delmont Avenue, Delmont Place and North Vermont Avenue.

The work is scheduled to take one hundred and twenty (120) working days to substantially complete and will start this fall, following approval of this report.

A Project Location map is attached as Appendix B for reference.

The work in 2023 will be the first year of a potential five-year contract, where the City has the sole discretion to renew the contract for four additional years based on price and performance.

3.0 Financial Impact/Considerations

3.1 Tender Summary

Tenders for the Watermain Cleaning and Lining Services were opened on June 22, 2023. Two (2) contractors submitted tender prices as listed below, excluding HST. All tenders received include a contingency of \$500,000.

Table 1: Summary of submitted tender prices

Contractor	Tender Price Submitted
Fer-Pal Construction Ltd	\$6,498,810.00
North Rock Group Ltd	\$7,283,750.00

All tenders have been checked by the Environmental and Engineering Services Department. No mathematical errors were found. The results of the tendering process

indicate a competitive process. The tender estimate prior to tender opening was \$5,200,000, including contingency, excluding HST.

The final tendered cost was higher than the tender estimate due to the difficulty in estimating this work. As this program uses multi-year contracts, the last time this type of work was competitively tendered in London was in early 2020. Since 2020, prices for this unique rehabilitation method and overall construction costs have gone up considerably, which made this project difficult to estimate. There are very few contractors qualified and capable of performing this type of watermain rehabilitation. Although prices have risen in the past 3 years, it is still an economically advantageous alternative to open cut excavation and replacement for these particular watermains. There are sufficient funds in existing budgets to complete this work.

Conclusion

Award of this contract to Fer-Pal Construction Ltd. will allow the City to achieve the objective of rehabilitating water infrastructure which has been subject to breaks. It is in the best financial and technical interests of the City to proceed with the award of this contract for Watermain Cleaning and Structural Lining.

Prepared by: Aaron Rozentals, P.Eng, GDPA
Division Manager, Water Engineering

Submitted by: Ashley M. Rammeloo, MSc., P.Eng
Director, Water, Wastewater, and Stormwater

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

cc: P. Lupton, Steve Fazekas, Gerry Ramsay (Fer-Pal Construction Ltd.)

Appendix 'A' – Sources of Financing

Appendix 'B' – Location Map

Appendix "A"

#23161

August 15, 2023
(Award Contract)

Chair and Members
Civic Works Committee

RE: RFT-2023-030 Watermain Cleaning and Lining Services
(Subledger WT230002)
Capital Project EW356323 - Watermain Rehabilitation and Relining
Capital Project EW356322 - Watermain Rehabilitation and Relining
Fer-Pal Construction Ltd. - \$6,498,810.00 (excluding HST)

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:

Estimated Expenditures	Approved Budget	Committed To Date	This Submission	Balance for Future Work
EW356323 - Watermain Rehabilitation and Relining				
Construction	5,368,709	0	5,368,709	0
EW356322 - Watermain Rehabilitation and Relining				
Construction	6,909,813	5,242,490	1,244,480	422,843
City Related Expenses	139	139	0	0
EW356322 Total	6,909,952	5,242,629	1,244,480	422,843
Total Expenditures	\$12,278,661	\$5,242,629	\$6,613,189	\$422,843

Sources of Financing

EW356323 - Watermain Rehabilitation and Relining				
Capital Water Rates	5,368,709	0	5,368,709	0
EW356322 - Watermain Rehabilitation and Relining				
Capital Sewer Rates	6,764,685	5,242,629	1,244,480	277,576
Drawdown from Water Works Renewal Reserve Fund	145,267	0	0	145,267
EW356322 Total	6,909,952	5,242,629	1,244,480	422,843
Total Financing	\$12,278,661	\$5,242,629	\$6,613,189	\$422,843

Financial Note:

	ES356323	ES356322	Total
Contract Price	\$5,275,854	\$1,222,956	\$6,498,810
Add: HST @13%	685,861	158,984	844,845
Total Contract Price Including Taxes	5,961,715	1,381,940	7,343,655
Less: HST Rebate	-593,006	-137,460	-730,466
Net Contract Price	\$5,368,709	\$1,244,480	\$6,613,189

Alan Dunbar
Manager of Financial Planning & Policy

APPENDIX B

LOCATION MAP

2023 Watermain Cleaning and Lining

