

## 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:** 2024 Watermain Cleaning and Lining Contract  
Award

**Date:** March 19, 2024

## 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 Watermain Cleaning and Lining Services:

- a) The bid submitted by Fer-Pal Construction Ltd at its tendered price of \$6,282,196.17, excluding HST, for Watermain Cleaning and Lining Services be accepted; it being noted that this is the second year of a five year contract submitted by Fer Pal Construction Ltd. and where unit prices were carried over from the original tendered contract plus an increase in line with the Consumer Price Index;
- 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 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 (e.g. 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

The following report supports the 2023 – 2027 Strategic Plan areas of focus:

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

- The City of London is a Leader in Public Service;
- The City of London has effective facilities and infrastructure management.

## Analysis

### 1.0 Background Information

#### 1.1 Previous Reports Related to this Matter

- CWC –August 15, 2023 – Contract Award: RFT 2023-030 Watermain Cleaning and Lining Services.

### 2.0 Discussion and Considerations

#### 2.1 Discussion

Structural lining extends the life of watermains by 50 years or more when done on watermains that meet certain criteria, and costs 35 % 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. 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 watermains. In areas where structural lining has been performed, the occurrence of watermain breaks has dropped to zero in most cases.

#### 2.2 Project Description

The current project involves the cleaning and structural lining of approximately 3900 metres of watermain on Daleview Crescent, Stoneybrook Crescent, Bobbybrook Drive, Meridene Crescent East, Meridene Crescent West, Hastings Drive, Milford Crescent and Milford Court. A Project Location map is attached as Appendix B for reference.

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

The work in 2024 will be the second year of a potential five-year contract, where the City has the sole discretion to renew the contract for three additional years based on price and performance.

### 3.0 Financial Impact/Considerations

In June 2023, a tender was issued for Watermain Cleaning and Lining Services and Fer-Pal Construction Ltd was the lowest price of the two compliant bidders. The contract was structured so that it could be extended for four additional years at the City's discretion based on price and performance. Unit rates for the work were established as part of the original tender with annual increases in line with the Consumer Price Index.

The total cost for the 2024 Watermain Cleaning and Lining Services contract is \$6,282,196.17 (excluding HST). This includes a contingency allowance of \$475,000 (excluding HST).

## Conclusion

Awarding this contract to Fer-Pal Construction Ltd. will help the City manage our infrastructure in a cost-effective way that minimizes disruption to the public. It is in the best financial interests of the City to proceed with the award of this contract for Watermain Cleaning and Structural Lining.

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

**Submitted by:** Ashley M. Rammeloo, MMSc., 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, Frank Garcea (Fer-Pal Construction Ltd.), Alan Dunbar

Appendix 'A' – Sources of Financing

Appendix 'B' – Location Map

**Appendix "A"**

#24035

March 19, 2024  
(Award Contract)

Chair and Members  
Civic Works Committee

RE: RFT-2023-030 Watermain Cleaning and Lining Services  
(Subledger WT240002)  
Capital Project EW356324 - Watermain Rehabilitation and Relining  
Fer-Pal Construction Ltd. - \$6,282,196.17 (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>This Submission</b>	<b>Balance for Future Work</b>
Construction	6,400,000	6,392,763	7,237
<b>Total Expenditures</b>	<b>\$6,400,000</b>	<b>\$6,392,763</b>	<b>\$7,237</b>
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<b>Sources of Financing</b>			
Capital Water Rates	6,400,000	6,392,763	7,237
<b>Total Financing</b>	<b>\$6,400,000</b>	<b>\$6,392,763</b>	<b>\$7,237</b>

**Financial Note:**

Contract Price	\$6,282,196
Add: HST @13%	816,686
Total Contract Price Including Taxes	<u>7,098,882</u>
Less: HST Rebate	<u>-706,119</u>
Net Contract Price	\$6,392,763

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Jason Davies  
Manager of Financial Planning & Policy  
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# APPENDIX B

## LOCATION MAP

### 2024 Watermain Cleaning and Lining

