

## Report to Infrastructure and Corporate Services Committee

**To:** Chair and Members  
Infrastructure and Corporate Services Committee  
**From:** Kelly Scherr, P.Eng., MBA, FEC  
Deputy City Manager, Environment and Infrastructure  
**Subject:** 2026 Watermain Cleaning and Lining Contract  
Award  
**Date:** March 23, 2026

## 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 \$6,956,493.31, including contingency, excluding HST, for Watermain Cleaning and Lining Services be accepted; it being noted that this is the fourth 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

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.

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.

## 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 – March 24, 2025 – Contract Award: 2025 Watermain Cleaning and Lining Contract Award.
- CWC – March 19, 2024 – Contract Award: 2024 Watermain Cleaning and Lining Contract Award.
- 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 watermain by fifty years or more when done on watermain 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 focuses 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.

### 2.2 Project Description

The current project involves the cleaning and structural lining of approximately 3600 metres of watermain on Robin Road, Southwood Crescent, Berkshire Drive, Gardenwood Drive, Georgia Road, Hartson Road, Hampton Crescent, Cotswold Gate and Centre Street. 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 2026 will be the fourth year of a potential five-year contract, where the City has the sole discretion to renew the contract for an additional year 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 2026 Watermain Cleaning and Lining Services contract is \$6,956,493.31 (excluding HST). This includes a contingency allowance of \$550,000 (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: Bogdan Pavlovic, Ian McCann, Frank Garcea (Fer-Pal Construction Ltd.), Alan

Dunbar Appendix 'A' – Sources of Financing

Appendix 'B' – Location Map

**Appendix "A"**

**#26032**

March 23, 2026  
(Award Contract)

Chair and Members  
Infrastructure and Corporate Services Committee

RE: 2026 Watermain Cleaning and Lining Contract Award  
(Subledger WT260001)  
Capital Project EW356322 - Watermain Rehabilitation and Relining  
Capital Project EW356326 - Watermain Rehabilitation and Relining  
Fer-Pal Construction Ltd \$6,406,493.31 (excluding HST and Contingency)

**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 Date</b>	<b>This Submission</b>	<b>Balance for Future Work</b>
<b>EW356322 - Watermain Rehabilitation and Relining</b>				
Construction	6,909,952	5,968,307	368,042	573,603
<b>EW356326 - Watermain Rehabilitation and Relining</b>				
Construction	6,710,886	0	6,710,886	0
<b>Total Expenditures</b>	<b>\$13,620,838</b>	<b>\$5,968,307</b>	<b>\$7,078,928</b>	<b>\$573,603</b>

**Sources of Financing**

<b>EW356322 - Watermain Rehabilitation and Relining</b>				
Capital Water Rates	6,764,685	5,968,307	368,042	428,336
Drawdown from Water Works Renewal Reserve Fund	145,267	0	0	145,267
<b>EW356322 Total</b>	<b>6,909,952</b>	<b>5,968,307</b>	<b>368,042</b>	<b>573,603</b>
<b>EW356326 - Watermain Rehabilitation and Relining</b>				
Capital Water Rates	6,710,886	0	6,710,886	0
<b>Total Financing</b>	<b>\$13,620,838</b>	<b>\$5,968,307</b>	<b>\$7,078,928</b>	<b>\$573,603</b>

<b>Financial Note :</b>	<b>EW356322</b>	<b>EW356326</b>	<b>Total</b>
Contract Price	333,081	6,073,412	6,406,493
Add: Contingency	28,595	521,405	550,000
Total Contract Price excluding Taxes	361,676	6,594,817	6,956,493
Add: HST @13%	47,018	857,326	904,344
Total Contract Including Taxes	408,694	7,452,143	7,860,837
Less: HST Rebate	-40,652	-741,257	-781,909
Net Contract Price	<b>\$368,042</b>	<b>\$6,710,886</b>	<b>\$7,078,928</b>

Jason Davies  
Manager, Financial Planning & Policy  
mp

# APPENDIX 'B'



## LOCATION MAP



### 2026 Watermain Cleaning and Lining Program

Georgia Road (all)  
 Hartson Road from Riverside Drive to St. Anthony Road  
 Hampton Crescent from Hartson Road to 85 Hampton Crescent

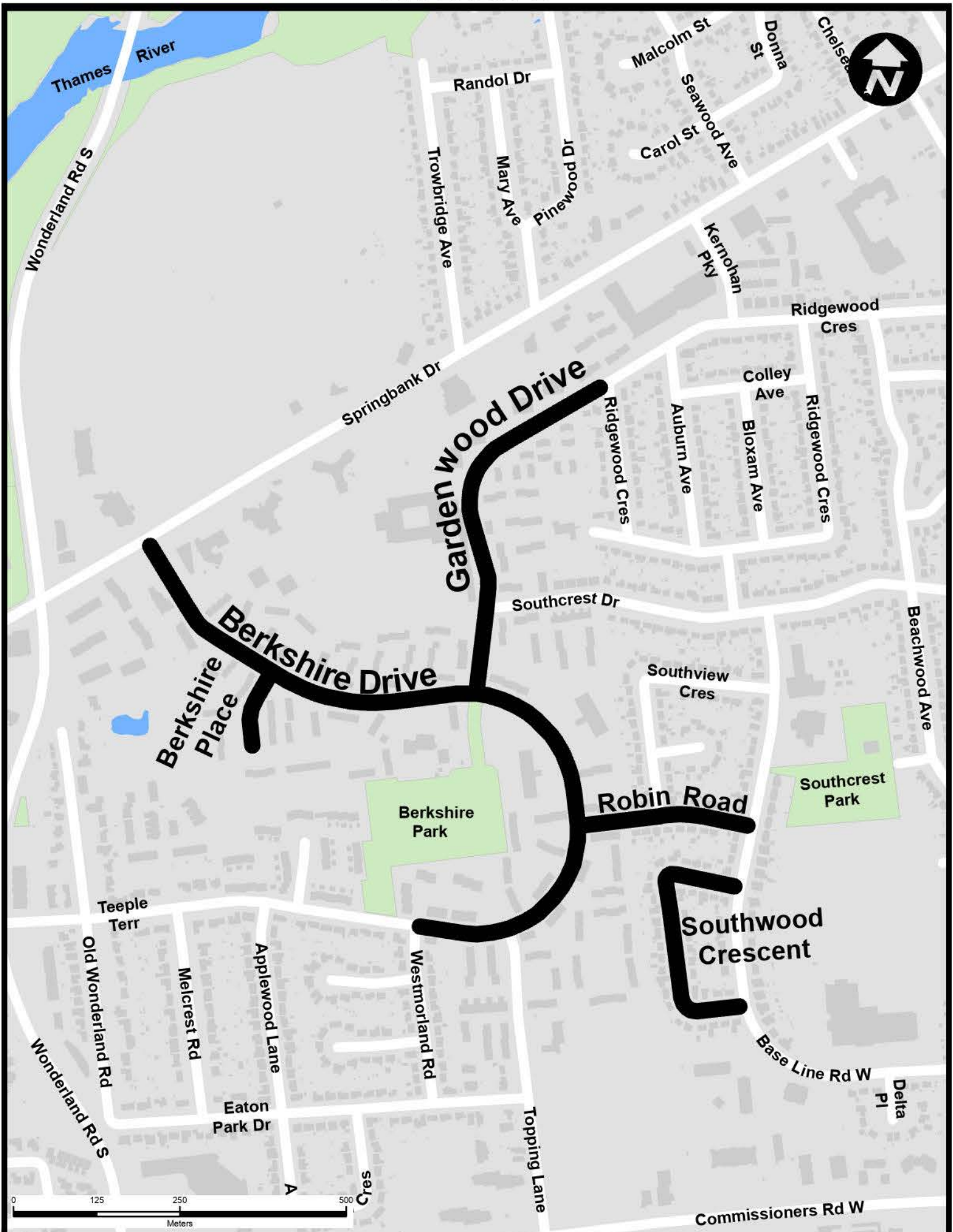
Approximate Project Limits

Map Produced by  
 the Water  
 Engineering  
 Division  
 February 25, 2026 MY

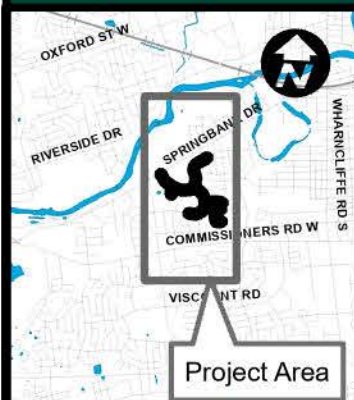


300 Dufferin Avenue,  
 PO Box 5035  
 London, Ontario  
 N6A 4L9  
[www.London.ca](http://www.London.ca)

# APPENDIX 'B'




## LOCATION MAP



### 2026 Watermain Cleaning and Lining Program

- Gardenwood Drive from Berkshire Drive to Ridgewood Crescent
- Berkshire Drive from Springbank Drive to Westmorland Road
- Berkshire Place (all)
- Robin Road (all)
- Southwood Crescent (all)

 Approximate Project Limits

Map Produced by  
the Water  
Engineering  
Division  
March 16, 2026 MV

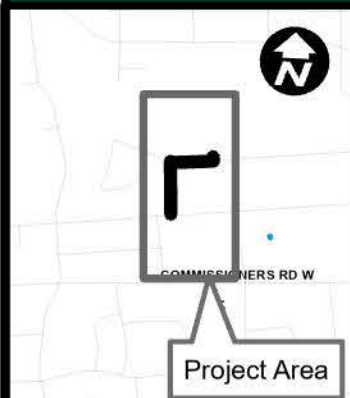


300 Dufferin Avenue,  
PO Box 5035  
London, Ontario  
N6A 4L9  
www.London.ca

# APPENDIX 'B'



## LOCATION MAP



### 2026 Watermain Cleaning and Lining Program

Cotswold Gate (all)


Centre Street from Cotswold Gate to the entrance of 120 Centre Street

Map Produced by  
the Water  
Engineering  
Division  
February 26, 2026 MY



London  
CANADA

300 Dufferin Avenue,  
PO Box 5035  
London, Ontario  
N6A 4L9  
www.London.ca

 Approximate Project Limits