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TO:	CHAIR AND MEMBERS BUILT AND NATURAL ENVIRONMENT COMMITTEE MEETING ON SEPTEMBER 26, 2011
FROM:	RON STANDISH, P.ENG. DIRECTOR, WASTEWATER AND TREATMENT PLANNING, ENVIRONMENTAL AND ENGINEERING SERVICES
SUBJECT	LABATT SANITARY SIPHON CLEANING & INSPECTION RFP NO. 11-30

RECOMMENDATION

That, on the recommendation of the Director, Wastewater and Treatment, Planning, Environmental and Engineering Services, the following actions **BE TAKEN** with respect to the award of a contract for the Labatt Sanitary Siphon Cleaning & Inspection:

- (a) the proposal submitted by PipeFlo Contracting Corp., 180 Chatham St., Hamilton, ON at its price of \$515,472.00 excluding H.S.T., for the Labatt Sanitary Siphon Cleaning & Inspection project **BE ACCEPTED**; it being noted that PipeFlo met the minimum technical qualifications and was the lowest of two submitted prices; The award is in accordance with Section 12 of the Procurement of Goods and Services Policy;
- (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 these projects; and
- (d) the approvals 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 these projects.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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None.

BACKGROUND

Purpose:

In 2002 the Trunk Sewer Inspection Program revealed that the inverted siphon crossing below the Forks of the Thames contained a significant amount of sediment, reducing the capacity of the sewer. Attempts to clean it with City equipment were unsuccessful. In 2007 an attempt was made to re-inspect the sewer but the level of sediment had increased and it was no longer possible to send inspection equipment through the siphon. The purpose of this report is to recommend the award of a contract to clean and inspect the siphon.

Discussion:

The Labatt Sanitary Siphon is a vital piece of infrastructure that services a large portion of the City. The 900mm corrugated metal pipe has been in service for 76 years, carrying sewage below the Thames River and to the Greenway Pollution Control Centre. Previous inspections showed that the pipe was 30% full of sediment in some locations. It is believed that the level of sediment and debris in the sewer has increased since that inspection. This project will remove the sediment and inspect the structural condition of the pipe to ensure the proper function of the siphon. The removal of the sediment will reduce the frequency of combined sewage overflows upstream of the siphon by restoring the full capacity of the pipe.

During the cleaning and inspection, bypass pumping will be required. Noise attenuated pumps have been specified to minimize the noise in the park. These pumps have been used on several projects previously with no noise complaints resulting from their use. The park will remain open to the public, but some areas will be fenced off for their protection.

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Request for Proposal

A Request for Proposal (RFP) was issued via a public call for proposals. A proposal, rather than low bid tender, was used due to the sensitivity and complexity of this project. It is also a type of work where few contractors have the required experience. The Request for Proposal was reviewed by the City Solicitor's Office and by the Manager of Purchasing & Supply prior to issue. Two (2) contractors submitted proposals.

Proposal Evaluation

The proposals were reviewed by four people (2 from RV Anderson, 2 from the City) individually, then collectively. Prices were not opened until the technical evaluation was complete. Proposals had to receive a minimum score of 80 out of 100 technical points in order to proceed to step 2, cost evaluation. Both of the proposals received met the technical requirements.

Cost

The prices submitted by both contractors were opened following the technical evaluation on September 6, 2011. The price submitted by PipeFlo Contracting of \$515,472.00 excluding H.S.T was the lowest bid.

The Manager of Purchasing & Supply reviewed and concurred with the recommendation of R.V. Anderson Associates to award the contract to PipeFlo Contracting.

There are no anticipated additional operating costs to the Planning, Environmental and Engineering Services budget in 2011 or subsequent years associated with the approval of this proposal.

Conclusions:

It is recommended that PipeFlo Contracting Corp. be awarded the Labatt Sanitary Siphon Cleaning & Inspection project as their proposal met the technical requirements and was the lowest price.


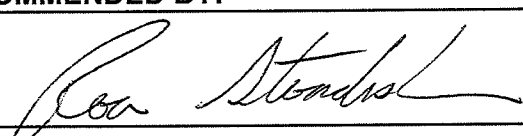
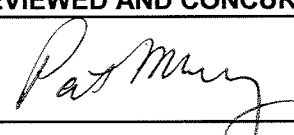
Acknowledgements:

This report was prepared within the Sewer Operations Division by Ashley Rammeloo, P.Eng., Sewer Operations Engineer with input from John Freeman, Manager of Purchasing & Supply.

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SUBMITTED BY:	RECOMMENDED BY:
	
RICK PEDLOW, C.E.T. DIVISION MANAGER SEWER OPERATIONS	RON STANDISH, P.Eng. DIRECTOR, WASTEWATER AND TREATMENT PLANNING, ENVIRONMENTAL AND ENGINEERING SERVICES
REVIEWED AND CONCURRED BY:	
	
PAT MCNALLY, P.Eng. EXECUTIVE DIRECTOR, PLANNING, ENVIRONMENTAL AND ENGINEERING SERVICES	

September 9, 2011

Attach.: Appendix A – Sources of Financing

c.c. Pat McNally, Executive Director of Planning, Environmental and Engineering Services
 John Braam, Director of Water, City Engineer
 PipeFlo Contracting Corp.
 R.V. Anderson Associates Limited

APPENDIX "A"

Chair and Members
Built and Natural Environment Committee

#11149
September 16, 2011
(Award Contract)

RE: Labatt Sanitary Siphon Cleaning & Inspection
Capital Project ES1825 - 2010 Video Inspection
PipeFlo Contracting Corp. - \$515,472.00 (excluding H.S.T.)

FINANCE DEPARTMENT REPORT ON THE SOURCES OF FINANCING:


Finance Department confirms that the cost of this project can not be accommodated within the financing available for it in the Capital Works Budget and that, subject to the adoption of the recommendations of the Director, Wastewater and Treatment, the detailed source of financing for this project is:

<u>ESTIMATED EXPENDITURES</u>	<u>Approved Budget</u>	<u>Additional Financing</u>	<u>Revised Budget</u>	<u>Committed To Date</u>	<u>This Submission</u>	<u>Balance For Future Work</u>
Engineering	\$643,387		\$643,387	\$386,357		\$257,030
Construction	145,027	424,544	569,571	45,027	524,544	0
NET ESTIMATED EXPENDITURES	\$788,414	\$424,544	\$1,212,958	\$431,384	\$524,544	\$257,030
SOURCE OF FINANCING						
Capital Sewer Rates	\$788,414		\$788,414	\$431,384	\$100,000	\$257,030
Drawdown from Sewage Works Reserve Fund		424,544	424,544		424,544	0
TOTAL FINANCING	\$788,414	\$424,544	\$1,212,958	431,384	\$524,544	\$257,030

1) **Financial Note:**

Contract Price	\$515,472
Add: HST @13%	67,011
Total Contract Price Including Taxes	582,483
Less: HST Rebate	57,939
Net Contract Price	<u>\$524,544</u>

2) The additional financing requirement of \$424,544 is available as a drawdown from the Sewage Works Reserve Fund, it being noted that an anticipated year end surplus in the Wastewater Operations program will allow a budget transfer of an equivalent amount from Wastewater Operations to the Sewage Works Reserve Fund before year end.


Larry Palarchio
Director of Financial Planning & Policy