то:	CHAIR AND MEMBERS CIVIC WORKS COMMITTEE MEETING ON MAY 24, 2016
FROM:	JOHN BRAAM, P. Eng. MANAGING DIRECTOR ENVIRONMENTAL & ENGINEERING SERVICES & CITY ENGINEER
SUBJECT:	WATERMAIN CLEANING AND RELINING RENEWAL

RECOMMENDATION

That, on the recommendation of the Managing Director, Environmental & Engineering Services & City Engineer, the following actions **BE TAKEN** with respect to the 2016 Watermain Cleaning and Lining program:

- the extension of the renewable contract with Fer-Pal Construction Limited, **BE APPROVED** at a valued of \$5,263,357.31, excluding HST;
- (b) the contract **BE INCREASED** by \$472,000 excluding HST; to complete additional work in accordance with the Procurement of Goods and Services Policy Clause 20.3;
- (b) the financing for this project **BE APPROVED** as set out in the Sources of Financing Report <u>attached</u> 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 Mayor and City Clerk **BE AUTHORIZED** to execute any contract or other documents, if required, to give effect to these recommendations;

it **BEING NOTED** that this is the last year of a three year renewable contract, where the City has the sole discretion to renew the contract based on price and performance, and the additional work is to achieve acceptable fire flow at a critical location.

PREVIOUS REPORTS PERTINENT TO THIS MATTER

2014 Watermain Cleaning & Structural Lining Program, Civic Works Committee, March 3, 2014, Agenda Item #3 http://sire.london.ca/agdocs.aspx?doctype=agenda&itemid=25611

BACKGROUND

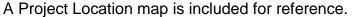
The City of London has been rehabilitating watermains since 1989 using innovative trenchless technologies, which more recently include structural lining. This method allows the City to improve fire flows, eliminate water quality problems (red water), gain additional years of life from the watermain and delay the need for full replacement reconstruction projects which are more expensive and socially disruptive. The rehabilitation option continues to save ratepayers about \$4 million per year as compared to replacement. The fire flows and water quality in these rehabilitated watermains are dramatically improved following relining. A number of streets are scheduled for watermain renew this year.

The 2016 Watermain Cleaning and Structural Lining Program is the third year of a three year contract originally tendered in February, 2014. Fer-Pal Construction Limited was the lower of two (2) bids received and met the City's specifications and requirements in all areas. The contract allowed for an increase in the tendered unit prices of 2% plus the consumer price index (CPI) per annum.

Fer-Pal Construction Limited received Council approval for a three year renewable contract that began in 2014. This is the 3rd and final year of this renewable contract. Work for this year began under a contract extension the last week of March. Contract extensions greater than \$2.0 million for a multi-year contract previously approved by Council, require Council approval, and as such, this contract extension is being brought forward for Council's approval. The contract extension with Fer-Pal Construction Limited is \$5,263,357.

Honeysuckle Crescent is one of the 16 streets scheduled for road work only this year through the City's Annual Road Reconstruction Program (ARRP). Upon performing fire flow tests in this area it was discovered that hydrants on Honeysuckle Crescent have fire flows lower than the City's design criteria in addition to several previous watermain breaks. Considering the location of trees in the boulevard and location of other utilities in the right of way it was determined that the most cost effective solution to address fire flows would be by cleaning and structurally lining the watermain. Waiting until next year to line the watermain on Honeysuckle, would mean excavating recently placed asphalt. By lining the watermain now, prior to the scheduled road reconstruction, it eliminates the need to dig up the road for watermain lining and reduces the risk of potential future breaks.

Fer-Pal Construction Limited is under contract to perform watermain relining work within the City and have crews capable of performing the work prior to the scheduled road works later this summer. Fer-Pal Construction Limited agreed to maintain the same unit price to do the work as they have in their contract. Further cost efficiencies are realized by avoiding mobilization and demobilization costs if done separately.





Acknowledgements:

This report was prepared within the Water Engineering Division with assistance from Dave Chromczak, C.E.T.

PREPARED BY:	REVIEWED & CONCURRED BY:
ROLAND WELKER, P. ENG. DIVISION MANAGER WATER ENGINEERING	JOHN LUCAS, P. ENG. DIRECTOR, WATER AND WASTEWATER
RECOMMENDED BY:	
JOHN BRAAM, P.ENG. MANAGING DIRECTOR, ENVIRONMENTAL & ENGINEERING SERVICES & CITY ENGINEER	

May 16, 2016

Appendix "A" - Sources of Financing Attach:

CC:

Ugo DeCandido John Freeman Pat Shack

Fer-Pal Construction Limited