

TO:	CHAIR AND MEMBERS CIVIC WORKS COMMITTEE MONDAY, APRIL 2, 2012
FROM:	JOHN BRAAM, P.ENG ACTING EXECUTIVE DIRECTOR, PLANNING, ENVIRONMENTAL & ENGINEERING SERVICES & CITY ENGINEER
SUBJECT	TENDER 11-36 CONTRACT EXTENSION SEWER LINERS – CURED IN PLACE PIPE (CIPP)

RECOMMENDATION

That on the recommendation of the Acting Executive Director, Planning, Environmental and Engineering Services & City Engineer, the following actions **BE TAKEN** with respect to the Supply and Installation of Sewer Liners – Cured in Place Pipe:

1. The contract with Insituform Technologies Limited, 3 Burford Road, Hamilton, ON L8C 3C6 for the Supply and Installation of Sewer Liners **BE EXTENDED** for one year, with a total value of \$2,650,000 excluding H.S.T, beginning April 11, 2012 to March 31, 2013; and
2. The funding for this purchase **BE APPROVED** as set out in the Source of Financing Report attached hereto as Appendix 'A'; and
3. That Civic Administration **BE AUTHORIZED** to undertake all the administrative acts that are necessary in connection with this service contract; and
4. That approval hereby given **BE CONDITIONAL** upon the Corporation entering into a formal contract or having a purchase order, or contract record relating to the subject matter of this approval; and

PREVIOUS REPORTS PERTINENT TO THIS MATTER

- BNEC Report on Monday May 2, 2011 – “Supply and Installation of Sewer Liners- Cured In Place Pipe”

BACKGROUND

Purpose

Tender 11-36 was called seeking competitive submissions for the Supply and Installation of Sewer Liners. This annual program effectively reduces operating costs associated with routine maintenance, reinstates design capacities and extends the life of existing storm and sanitary pipe within the City's sewer infrastructure, through trenchless methods of construction. This program creates large capital cost avoidance by conducting trenchless instead of open cut construction. \$85 million of open cut construction was avoided over a recent 5 year period. In addition, construction duration is shortened to a day compared to months for open cut repairs which mitigates the negative social impacts of construction.

Purchasing Process

In 2011 the contract was awarded to the low bidder, Insituform Technologies Limited, having met all terms, conditions and specifications as per the Purchasing Bylaw and Policy. This tender carried a clause which provides the City with an opportunity to extend the contract for an additional year with a proposed increase of 2.5% to the unit prices. The contractor has shown excellent value for the bid price.

Financial Impact

There are no anticipated additional operating costs associated with this project. Total value of the contract for 2012 would be \$2,650,000 excluding H.S.T.

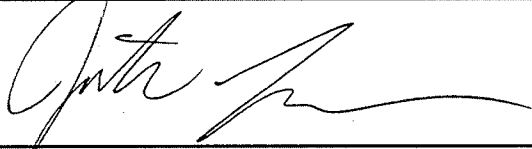


Conclusions

Funding for this project is included in ES 2693-12.

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Acknowledgements

This report was prepared with the assistance of Rick Kaczmarczyk, Manager of Maintenance and Construction and Terri Sue Wyatt, Procurement Officer.

SUBMITTED BY:	RECOMMENDED BY:
	
JUSTIN LAWRENCE, P. ENG. DIVISION MANAGER, CONSTRUCTION ADMINISTRATION PLANNING ENVIRONMENTAL & ENGINEERING SERVICES	JOHN BRAAM, P.ENG ACTING EXECUTIVE DIRECTOR, PLANNING, ENVIRONMENTAL & ENGINEERING SERVICES & CITY ENGINEER
REVIEWED & CONCURRED BY:	
	
MIKE TURNER DEPUTY CITY TREASURER	

Chair and Members
Civic Works Committee

March 23, 2012
(Extend Contract)

**RE: Supply & Installation of Sewer Liners - Cured in Place Pipe (CIPP)
Capital Project ES2693-12 - 2012 Specialized Sewer Repairs
Insituform Technologies Limited - \$2,650,000.00 (excluding H.S.T.)**

FINANCE DEPARTMENT REPORT ON THE SOURCE OF FINANCING:

Finance Department confirms that the cost of this project can be accommodated within the financing available for it in the Capital Works Budget and that, subject to the adoption of the recommendations of the Acting Executive Director, Planning, Environmental & Engineering Services & City Engineer, the detailed source of financing for this project is:

<u>ESTIMATED EXPENDITURES</u>	<u>Approved Budget</u>	<u>This Submission</u>	<u>Balance For Future Work</u>
Construction	\$4,500,000	\$2,696,640	\$1,803,360
NET ESTIMATED EXPENDITURES	<u>\$4,500,000</u>	<u>\$2,696,640</u> 1)	<u>\$1,803,360</u>
<u>SOURCE OF FINANCING:</u>			
Capital Sewer Rates	\$2,938,000	\$2,696,640	\$241,360
Drawdown from Sewage Works Reserve Fund	1,562,000		1,562,000
TOTAL FINANCING	<u>\$4,500,000</u>	<u>\$2,696,640</u>	<u>\$1,803,360</u>

1) **Financial Note:**

Contract Price	\$2,650,000
Add: HST @ 13%	344,500
Total Contract Price Including Taxes	2,994,500
Less: HST Rebate	297,860
Net Contract Price	<u>\$2,696,640</u>

2) There are no anticipated additional annual operating costs to the Environmental and Engineering Services budget in 2012 and subsequent years associated with the approval of this project.

EH


 Alan Dunbar
 Manager of Financial Planning & Policy