

TO:	CHAIR AND MEMBERS CIVIC WORKS COMMITTEE MEETING ON JANUARY 10, 2017
FROM:	KELLY SCHERR, P. ENG., MBA, FEC MANAGING DIRECTOR, ENVIRONMENTAL AND ENGINEERING SERVICES & CITY ENGINEER
SUBJECT:	SINGLE SOURCE: ARVA-HURON PIPELINE CHAMBER UPGRADES AND PIPE REPLACEMENT PROJECT No. EW3576

RECOMMENDATION

That, on the recommendation of the Managing Director, Environmental and Engineering Services & City Engineer, the following actions **BE TAKEN** with respect to the Arva-Huron Pipeline Chamber Upgrades and Pipe Replacement (EW3576):

- (a) The bid submitted by L-82 Construction Inc., 2070 Huron Street Suite A, London, Ontario, N5V 5A7, in the amount of \$883,320 (excluding H.S.T.) **BE AWARDED** in accordance with Section 14.4 e. of the City of London's 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 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.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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- [Long-Term Large Diameter Pipe Inspection Strategy and Single Source Procurement - EW3717, EW3717-14 – Civic Works Committee Meeting on July 21, 2014, Agenda Item #6](#)

BACKGROUND

Purpose:

This report recommends that L-82 Construction be single source appointed as the contractor for the Arva-Huron Pipeline Chamber Upgrades and Pipe Replacement.

Context

The Arva-Huron Pipeline is the most critical supply of water into the City of London, supplying approximately 85% of water used by all customers. In the fall of 2014, inspections were undertaken to assess the condition of the Arva-Huron pipeline. The inspections identified a small portion of significantly damaged pipeline between Windermere Road and the Thames River. The damaged pipeline is located on City owned property, is within the Upper Thames River Conservation Authority's Regulated Area, and is directly adjacent to (but not within) an area categorized as woodland in the Official Plan.

DISCUSSION

The Arva-Huron Pipeline is the most critical supply of water into the City of London, supplying approximately 85% of water used by all customers. In the fall of 2014, as part of the City's Large Diameter Watermain Inspection Program, electromagnetic inspections were undertaken to assess the condition of the Arva-Huron pipeline and to listen for leaks. The results of the inspections were on the whole extremely positive with the overall distress rate for the inspected pipeline ten times lower than the industry average. However, the inspection identified a small portion of significantly damaged 1050mm diameter pipeline between Windermere Road and the Thames River. Appendix 'B' "Location Map" identifies the section of concern. The damaged pipeline is located on City owned property, is within the Upper Thames River Conservation Authority's Regulated Area, and is directly adjacent (but not within) an area categorized as woodland in Schedule B1 "Natural Heritage Features" of the Official Plan.

In the summer of 2015, City staff directed a further inspection of the damaged area in order to gain a better understanding of its condition. In December of 2015, the City engaged a consultant and L-82 Construction to assist with exposing the watermain in order to perform a higher resolution inspection on the area of concern. The results of this inspection confirmed that the section of pipe was damaged and in need of remediation.

During the investigation, Staff also identified an opportunity to install a new valve in an existing valve chamber. Installing the valve would allow for the replacement of the damaged pipeline with minimal customer disruption. It would also allow staff to isolate this critical section of pipeline in the event of an emergency.

Based on the work to date and the findings of the engineering consultant, Staff recommend that a new isolation valve be installed and that the most damaged portions of the water pipeline be replaced as soon as possible. It is the opinion of staff that this is the most technically and financially appropriate option. Timing of the work is essential to ensure no disruption to City of London residents. The risk of disruption is minimized in the winter months when the demand for water is at an annual low. It is therefore recommended that the work progress within the next three months.

Contractor Selection

In undertaking this critical large-diameter water pipeline project it is essential to select a contractor with the appropriate special knowledge, expertise and experience. The work to identify the damaged watermain was undertaken by L-82 Construction in December 2015. L-82 Construction gained special knowledge with respect to the project details, conditions, and location from this previous work. L-82 has experience replacing large-diameter water pipelines having completed numerous large-diameter pipeline work with the regional water system. Contractors are prequalified for City's stormwater management infrastructure construction program on the basis of their expertise completing work in and around environmentally sensitive areas. L-82 is one of the ten contractors prequalified for this program. L-82 Construction has also confirmed that they have the resources available to complete the project within the identified low-water demand window.

Based on their special knowledge of the project, expertise working in and around environmentally sensitive areas, and their experience related to the replacement of large-diameter water pipelines, L-82 Construction has been recommended for this single source assignment under section 14.4 e. of the City of London's Procurement of Goods and Services Policy.

CONCLUSION

It is recommended that L-82 Construction Inc. be authorized, in the amount of \$883,320 (excluding H.S.T.), to undertake the work discussed above. L-82's special knowledge of this project, their previous large-diameter watermain work, and their expertise working in and around environmental sensitive areas, is in the best technical and financial interests of the City.

Acknowledgements:

This report was prepared by Kevin Graham, E.I.T., of the Water Engineering Division.

PREPARED BY:	REVIEWED & CONCURRED BY:
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RECOMMENDED BY:	
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December 19, 2016

Attach: Appendix "A" – Sources of Financing
Appendix "B" – Location Map

CC. Stantec Consulting Ltd.
John Freeman – Manager, Purchasing & Supply