TO:  
CHAIR AND MEMBERS  
CIVIC WORKS COMMITTEE  
MEETING ON APRIL 11, 2017

FROM:  
KELLY SCHERR, P.ENG., MBA, FEC  
MANAGING DIRECTOR, ENVIRONMENTAL & ENGINEERING SERVICES AND CITY ENGINEER

SUBJECT:  
TENDER 14-116 CONTRACT EXTENSION  
SUPPLY AND INSTALLATION OF SEWER LINERS – CURED IN PLACE PIPE (CIPP)

RECOMMENDATION

That on the recommendation of the Managing Director, 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:

(a) The contract with Insituform Technologies Limited for the Supply and Installation of Sewer Liners **BE EXTENDED** to February 28, 2018 for the contract price of $4,045,808.84 (excluding H.S.T.); it being noted that a contract exists that includes an option to extend;

(b) The funding for this purchase **BE APPROVED** as set out in the Source of Financing Report attached hereto as Appendix ‘A’;

(c) That Civic Administration **BE AUTHORIZED** to undertake all the administrative acts that are necessary in connection with this contract; and,

(d) 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.

PREVIOUS REPORTS PERTINENT TO THIS MATTER


2015-19 STRATEGIC PLAN

The 2015 – 2019 Strategic Plan identifies this objective under Building a Sustainable City; 1B – Manage and improve our water, wastewater and stormwater infrastructure and services.
BACKGROUND

Purpose

This report recommends the continuation of an existing contract on beneficial financial terms to the City.

DISCUSSION

Sewer Lining Program

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. In addition, construction duration is shortened to days as compared to months for open cut repairs which mitigates the negative social impacts of construction.

Purchasing Process

In 2015 a contract was awarded to the low bidder, Insituform Technologies Limited, having met all terms, conditions and specifications. This tender carried a clause which provides the City with an opportunity to extend the contract two additional one year terms. The contractor has increased their unit rates by 2.3% for 2017, which corresponds to the Consumer Price Index for Ontario, as reported by the Government of Canada, from January 2016 to January 2017. The contractor increased their unit prices by 3.25% in 2016. The next low bidder’s price in 2015 was over 10% higher as compared to the two year total price escalation of 5.55% under the awarded contract. The contractor has shown excellent value for the bid price.

This is the final year of the two year contract option. The program will be tendered in 2018.

Financial Impact

There are no anticipated additional operating costs associated with this project. Total value of the contract for 2017 would be $4,045,808.84 excluding H.S.T.

Funding for this project is included in ES 269316 and ES 269317.
**Acknowledgment**

This report was prepared with the assistance of Brian Nourse, Environmental Service Engineer and Dave Jones, Technologist II.

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<th>PREPARED BY:</th>
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<tr>
<td>UGO DECANDIDO, P. ENG. DIVISION MANAGER, CONSTRUCTION ADMINISTRATION</td>
<td>JOHN LUCAS, P. ENG. DIRECTOR, WATER AND WASTEWATER</td>
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<td>ANNA LISA BARBON, CPA, CGA DIRECTOR, FINANCIAL SERVICES</td>
<td>KELLY SCHERR, P.ENG., MBA, FEC MANAGING DIRECTOR, ENVIRONMENTAL &amp; ENGINEERING SERVICES &amp; CITY ENGINEER</td>
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March 24, 2017
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Attached:  Appendix “A” – Sources of Financing