

TO:	CHAIR AND MEMBERS CIVIC WORKS COMMITTEE MONDAY, JANUARY 21, 2013
FROM:	JOHN BRAAM, P. ENG MANAGING DIRECTOR, ENVIRONMENTAL & ENGINEERING SERVICES & CITY ENGINEER
SUBJECT	TENDER 13-03 SUPPLY AND INSTALLATION OF SEWER LINERS – CURED IN PLACE PIPE (CIPP)

RECOMMENDATION

That on the recommendation of the Managing Director, Environmental & Engineering Services & City Engineer, the following actions **BE TAKEN** with respect to Tender 13-03:

- a) the bid submitted by Insituform Technologies Limited, 3 Burford Road, Hamilton, ON L8C 3C6 at their tendered price of \$2,506,395.00 HST extra, with an option to renew for one (1) additional year, **BE ACCEPTED**, it being noted that the bid submitted by Insituform Technologies Limited was the lowest of two (2) bids and meets the City's specifications and requirements in all areas;
- b) the funding for this purchase **BE APPROVED** as set out in the Source of Finance Report attached hereto as Appendix "A";
- c) the Civic Administration **BE AUTHORIZED** to undertake all of the administrative acts that are necessary in connection with this contract;
- d) the approval hereby given **BE CONDITIONAL** upon the Corporation entering into formal contract or issuing purchase orders or contract record relating to these matters of this approval.

BACKGROUND

Purchasing Process

Two (2) bids were received as a result of this tender call on December 12, 2012 as summarized below. Insituform Technologies Limited submitted the overall low bid and meets our terms, conditions and specifications in all area.

Contractor		Tender Price Submitted
1.	Insituform Technologies Ltd.	\$2,506,395.00
2.	Capital Sewer Services Inc.	\$2,806,765.00

The Tender estimate prior to opening was \$2,640,000.00(excluding H.S.T.)
All tenders include a Contingency Allowance of \$150,000.00 and a Bonus/ Penalty of \$75,000.00.

Purpose

A tender was called seeking competitive submissions for Supply and Installation of Sewer Liners – Cured in Place Pipe (CIPP). 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. Over \$100 million of open cut construction was avoided over the last five years. In addition, duration of work is shortened to a day compared to months for open cut construction, which mitigates the negative social impact. Selected sewer pipe locations for lining are determined through the City's annual Sewer Video program.

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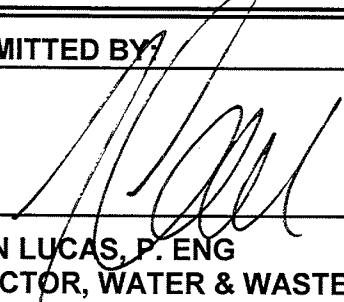
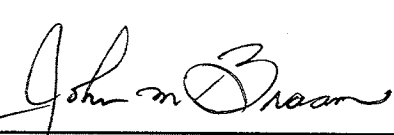
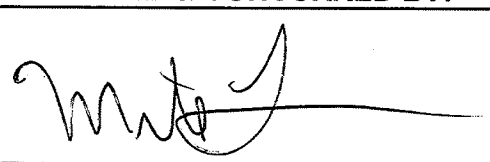
Financial Impact

Funding for this project has been provided in ES2693-13.

There are no anticipated additional operating costs associated with this project. There will be a financial and operational benefit to the City if the supply and installation of Sewer Liners – Cured in Pipe Place (CIPP) is completed expeditiously and there will be a financial and operational liability to the City if the supply and installation of Sewer Liners – Cured in Place Pipe (CIPP) is delayed. Included in this award is funding in the amount of \$75,000.00 to address if the work is completed by the dates specified in the tender documents.

Acknowledgements

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

SUBMITTED BY:	RECOMMENDED BY:
	
JOHN LUCAS, P. ENG DIRECTOR, WATER & WASTEWATER	JOHN BRAAM, P. ENG MANAGING DIRECTOR, ENVIRONMENTAL & ENGINEERING SERVICES & CITY ENGINEER
REVIEWED & CONCURRED BY:	
	
MIKE TURNER DEPUTY CITY TREASURER	

Attach: Appendix "A" – Sources of Financing
 Appendix "B" – Summary of Bids

APPENDIX 'A'

#13001

Chair and Members
Civic Works Committee

January 11, 2013
(Award Contract)

**RE: Supply & Installation of Sewer Liners - Cured in Place Pipe (CIPP)
Capital Project ES2693-13 - 2013 Specialized Sewer Repairs
Insituform Technologies Limited - \$2,506,395.00 (excluding H.S.T.)**

FINANCE DEPARTMENT REPORT ON THE SOURCES 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 Managing Director, Environmental & Engineering Services and 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	\$4,700,000	\$2,550,507	\$2,149,493
NET ESTIMATED EXPENDITURES	\$4,700,000	\$2,550,507 1)	\$2,149,493
SOURCE OF FINANCING:			
Capital Sewer Rates	\$4,488,000	\$2,550,507	\$1,937,493
Drawdown from Sewage Works Reserve Fund	212,000		212,000
TOTAL FINANCING	\$4,700,000	\$2,550,507	\$2,149,493

Financial Note:

1) Contract Price	\$2,506,395
Add: HST @13%	325,831
Total Contract Price Including Taxes	2,832,226
Less: HST Rebate	281,719
Net Contract Price	<u>\$2,550,507</u>

2) There are no anticipated additional operating costs associated with this project.

JG



Alan Dunbar
Manager of Financial Planning & Policy