

TO:	CHAIR AND MEMBERS CIVIC WORKS COMMITTEE MEETING ON MARCH 10, 2020
FROM:	KELLY SCHERR, P.ENG., MBA, FEC MANAGING DIRECTOR, ENVIRONMENTAL & ENGINEERING SERVICES AND CITY ENGINEER
SUBJECT:	CONTRACT AWARD: 2020 WATERMAIN CLEANING AND STRUCTURAL LINING RFT 20-23

RECOMMENDATION

That on the recommendation of the Managing Director, Environmental & Engineering Services & City Engineer, the following actions **BE TAKEN** with respect to the award of contract for the 2020 Watermain Cleaning and Structural Lining Project:

- (a) the bid submitted by Fer-Pal Construction Ltd., 171 Fenmar Drive, Toronto, Ontario M9L 1M7, at its tendered price of \$6,784,800.00 (excluding H.S.T.), for the 2020 Watermain Cleaning and Structural Lining program, **BE ACCEPTED**; it being noted that the bid submitted by Fer-Pal Construction Ltd. was the lowest of two bids received and meets the City's specifications and requirements in all areas and that this is the first year of a three year contract, where the City has the sole discretion to renew the contract for two additional years based on price and performance;
- (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 approval given herein **BE CONDITIONAL** upon the Corporation entering into a formal contract or issuing a purchase order for the material to be supplied and the work to be done relating to this project (RFT 20-23); and
- (e) 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
--

Contract Award: 2017 Watermain Cleaning and Structural Lining Tender No 16-105, March 7, 2017 Civic Works Committee, Agenda Item #7

Contract Award: 2018 Watermain Cleaning and Structural Lining Tender No 16-105, April 17, 2018 Civic Works Committee, Agenda Item # 2.9

Contract Award: 2019 Watermain Cleaning and Structural Lining Tender No 16-105, March 18, 2019 Civic Works Committee, Agenda # 2.11

2019-2023 STRATEGIC PLAN

This report supports the Strategic Plan in the following areas:

- Building a Sustainable City:
 - Infrastructure is built, maintained and operated to meet the long-term needs of our community; and
 - Growth and development is well planned and sustainable over the long

term.

- Leading in Public Service:
 - Trusted, open, and accountable in service of our community;
 - Exceptional and valued customer service; and
 - Leader in public service as an employer, a steward of public funds, and an innovator of service.

BACKGROUND

Purpose

This report recommends the award of a tender to a contractor to undertake watermain cleaning and structural re-lining as shown on the location map in Appendix B.

Context

Since 1989, the City has been rehabilitating watermains using innovative trenchless technologies which include cement mortar lining and more recently structural lining. These methods allow the City to eliminate water quality problems (red/rusty looking water), improve fire flows, gain additional years of life from the mains and delay the need for full replacement reconstruction projects which are both expensive and socially disruptive. The aesthetic water quality in these rehabilitated watermains is dramatically improved.

DISCUSSION

Currently the City focusses structural relining on areas of the City where there are no lead services, no other current infrastructure replacement needs (i.e. roads or sewers), and a high frequency of main breaks on cast iron watermains. In areas where structural lining has been performed, the occurrence of watermain breaks has dropped to zero in most cases. Structural lining also extends the life of watermains by 50 years or more when done on watermains that meet the criteria above, and costs 40% lower than traditional open-cut watermain replacement. In general, trenchless technologies, such as structural lining, have substantially lower social and environmental impacts when compared to traditional open-cut techniques.

The current project, involves the cleaning and structural lining of approximately 6500 metres of watermain on Shaftsbury Avenue, Tufton Place, Jermyn Place, Banbury Road, Cluney Place, Goodman Drive, Heath Place, Deveron Crescent, Almond Road, Oregon Place, Almond Court, South Almond Place, Curtis Avenue, Montebello Drive, Fundy Avenue, Niagara Street, Eldorado Avenue, Coldstream Crescent, Rockwyn Crescent, Marbenor Crescent, Arcadia Crescent, Algonquin Crescent, Breton Park Place and Gore Road.

The work is scheduled to take one hundred and thirty working days to substantially complete and will start this spring, following approval of this report.

A Project Location map is attached as Appendix B for reference.

The work in 2020 will be the first year of a potential three-year contract, where the City has the sole discretion to renew the contract for two additional years based on price and performance.

Tender Summary:

Tenders for the 2020 Watermain Cleaning and Structural Lining Program were opened on January 31 2020. Two contractors that pre-qualified submitted tender prices as listed below, excluding HST.

CONTRACTOR		TENDER PRICE SUBMITTED
1.	Fer-Pal Construction Ltd	\$6,784,800.00
2.	North Rock Group Ltd.	\$7,255,460.00

All tenders have been checked by the City's project manager and the overall value of the tender is within the approved capital program budget.

CONCLUSIONS

Award of this contract to Fer-Pal Construction Ltd. will allow the City to achieve the objective of rehabilitating water infrastructure which has been subject to breaks. It is in the best financial and technical interests of the City to proceed with the award of this contract for Watermain Cleaning and Structural Lining.

<table border="1" style="width: 100%; height: 100%;"> <tr> <td style="padding: 5px;">SUBMITTED BY:</td> </tr> <tr> <td style="height: 60px;"> </td> </tr> <tr> <td style="padding: 5px;"> AARON ROZENTALS, P.Eng DIVISION MANAGER WATER ENGINEERING DIVISION ENVIRONMENTAL AND ENGINEERING SERVICES </td> </tr> </table>	SUBMITTED BY:		AARON ROZENTALS, P.Eng DIVISION MANAGER WATER ENGINEERING DIVISION ENVIRONMENTAL AND ENGINEERING SERVICES	<table border="1" style="width: 100%; height: 100%;"> <tr> <td style="padding: 5px;">CONCURRED BY:</td> </tr> <tr> <td style="height: 60px;"> </td> </tr> <tr> <td style="padding: 5px;"> SCOTT MATHERS, MPA, P. ENG DIRECTOR WATER & WASTEWATER ENVIRONMENTAL AND ENGINEERING SERVICES </td> </tr> </table>	CONCURRED BY:		SCOTT MATHERS, MPA, P. ENG DIRECTOR WATER & WASTEWATER ENVIRONMENTAL AND ENGINEERING SERVICES
SUBMITTED BY:							
AARON ROZENTALS, P.Eng DIVISION MANAGER WATER ENGINEERING DIVISION ENVIRONMENTAL AND ENGINEERING SERVICES							
CONCURRED BY:							
SCOTT MATHERS, MPA, P. ENG DIRECTOR WATER & WASTEWATER ENVIRONMENTAL AND ENGINEERING SERVICES							
<table border="1" style="width: 100%; height: 100%;"> <tr> <td style="padding: 5px;">RECOMMENDED BY:</td> </tr> <tr> <td style="height: 60px;"> </td> </tr> <tr> <td style="padding: 5px;"> KELLY SCHERR, P.ENG., MBA, FEC MANAGING DIRECTOR, ENVIRONMENTAL AND ENGINEERING SERVICES AND CITY ENGINEER </td> </tr> </table>	RECOMMENDED BY:		KELLY SCHERR, P.ENG., MBA, FEC MANAGING DIRECTOR, ENVIRONMENTAL AND ENGINEERING SERVICES AND CITY ENGINEER				
RECOMMENDED BY:							
KELLY SCHERR, P.ENG., MBA, FEC MANAGING DIRECTOR, ENVIRONMENTAL AND ENGINEERING SERVICES AND CITY ENGINEER							

Attach: Appendix 'A' – Sources of Financing
 Appendix 'B' – Project Location Map

c.c. Dave Chromczak
 John Freeman Gary McDonald
 Ugo DeCandido Alan Dunbar
 Fer Pal Construction Ltd John Simon

APPENDIX 'A'

#20023

Chair and Members
Civic Works Committee

March 10, 2020
(Award Contract)

RE: 2020 Watermain Cleaning and Structural Lining - RFT 20-23
(Subledger WT200001)
Capital Project EW356319 - Main Rehabilitation
Capital Project EW356320 - Watermain Rehabilitation and Relining
Fer-Pal Construction Ltd. - \$6,784,800.00 (excluding H.S.T.)

FINANCE & CORPORATE SERVICES REPORT ON THE SOURCES OF FINANCING:

Finance & Corporate Services 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 & City Engineer, the detailed source of financing for this project is:

<u>SUMMARY OF ESTIMATED EXPENDITURES</u>	<u>Approved Budget</u>	<u>Committed to Date</u>	<u>This Submission</u>	<u>Balance for Future Work</u>
<u>EW356319 - Main Rehabilitation</u>				
Construction	\$9,191,750	\$6,172,905	\$1,904,212	\$1,114,633
<u>EW356320-Watermain Rehab. and Relining</u>				
Construction	5,000,000		5,000,000	0
NET ESTIMATED EXPENDITURES	<u>\$14,191,750</u>	<u>\$6,172,905</u>	<u>\$6,904,212</u>	<u>\$1,114,633</u>
<u>SUMMARY OF FINANCING:</u>				
<u>EW356319 - Main Rehabilitation</u>				
Capital Water Rates	\$9,046,483	\$6,172,905	\$1,904,212	\$969,366
Drawdown from Capital Water Reserve Fund	145,267			145,267
	<u>9,191,750</u>	<u>6,172,905</u>	<u>1,904,212</u>	<u>1,114,633</u>
<u>EW356320-Watermain Rehab. and Relining</u>				
Capital Water Rates	5,000,000		5,000,000	0
TOTAL FINANCING	<u>\$14,191,750</u>	<u>\$6,172,905</u>	<u>\$6,904,212</u>	<u>\$1,114,633</u>

1) **Financial Note:**

	<u>EW356319</u>	<u>EW356320</u>	<u>Total</u>
Contract Price	\$1,871,278	\$4,913,522	\$6,784,800
Add: HST @13%	243,266	638,758	882,024
Total Contract Price Including Taxes	<u>2,114,544</u>	<u>5,552,280</u>	<u>7,666,824</u>
Less: HST Rebate	210,332	552,280	762,612
Net Contract Price	<u>\$1,904,212</u>	<u>\$5,000,000</u>	<u>\$6,904,212</u>

JG

Jason Davies
Manager of Financial Planning & Policy

APPENDIX B

LOCATION MAP

2020 Watermain Cleaning and Lining

