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<b>TO:</b>	<b>CHAIR AND MEMBERS BUILT AND NATURAL ENVIRONMENT COMMITTEE MEETING ON NOVEMBER 14, 2011</b>
<b>FROM:</b>	<b>RON STANDISH, P. Eng. DIRECTOR, WASTEWATER AND TREATMENT PLANNING, ENVIRONMENTAL AND ENGINEERING SERVICES</b>
<b>SUBJECT:</b>	<b>TENDER 11-90 GREENWAY WASTEWATER TREATMENT PLANT ASH HANDLING PROJECT ES5165-11</b>

<b>RECOMMENDATION</b>
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That, on the recommendation of the Director of Wastewater and Treatment, Planning, Environmental and Engineering Services, the following actions **BE TAKEN** with respect to the award of a contract for the installation of Greenway Wastewater Treatment Plant Ash Handling.

- (a) the proposal submitted by Finnbilt General Contracting Limited, 3785 Line 29, R.R. # 2 Stratford, Ontario N5A 6S3, at its price of \$1,747,306.00 excluding H.S.T. for Option "B" of the installation of Greenway Wastewater Treatment Plant (WWTP) Ash Handling **BE ACCEPTED**; it being noted Finnbilt General Contracting Limited submitted the lowest bid and meets all the terms, conditions and specifications.
- (b) the financing for this project **BE APPROVED** as set out in the Sources of Financing Report attached hereto as Appendix "A";
- (c) the engineering fees for R.V. Anderson Associates Limited **BE INCREASED** by \$35,000.00 excluding H.S.T., in accordance with the estimate, on file, to carry out resident inspection and contract administration it being noted that this increases the original estimated upset limit from \$81,850.00 to \$116,850.00, excluding HST noting that this firm completed the engineering design, based upon the Fee Guideline for Professional Engineering Services, 2006, recommended by the Ontario Society of Professional Engineers; and in accordance with Section 15.2 (g) of the Procurement of Goods and Services Policy;
- (d) The Civic Administration **BE AUTHORIZED** to undertake all the administrative acts that are necessary in connection with these projects; and,
- (e) The approvals given herein **BE CONDITIONAL** upon the Corporation entering into a formal contract or issuing a purchase order for the work to be done relating to this project.

<b>PREVIOUS REPORTS PERTINENT TO THIS MATTER</b>
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Environmental and Transportation Committee Report, Greenway PCC Treatment Capacity Update, Item 2b, July 26, 2010.

Environmental and Transportation Committee Report, Greenway PCC Class Environmental Assessment, Item 9, July 19, 2010.

<b>BACKGROUND</b>
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**Purpose:**

The purpose of this report is to recommend Finnbilt General Contracting Limited to construct the Greenway WWTP Ash Handling system and recommend an increase in engineering fees to

R.V. Anderson and Associates Limited to carry out resident inspection and contract administration services.

**Discussion:**

The two existing Greenway WWTP ash lagoons were installed in the 1960's to receive ash from the incineration of sludge at an approximate rate of six (6) tonnes/day. Every six months one of the two lagoons is emptied by use of a dragline. Ash from the lagoons is sold to St. Mary's Cement Inc., as needed, and the balance is transported to the W12A Landfill for disposal. Prior to transport, a temporary truck wash is used to wash tires and a flushing truck is required to remove ash from the route out to Greenside Avenue and Springbank Drive.

Plans to expand the Greenway WWTP will require more land to accommodate new section three (3) final clarifiers in the area of the existing ash lagoons. The ash handling system will be moved to the south of number three (3) section and require less space than the existing ash lagoons. As described in the Greenway PCC Municipal Class Environmental Assessment, the new final clarifiers are required to expand capacity of the plant. This contract is for the installation of concrete dewatering beds (cells), a lift station, an access road, and a permanent truck wash.

Tender

Tenders for the Greenway WWTP Ash Handling system were opened on Wednesday, October 12, 2011. All tenders have been checked by the Corporate Services Department, the Planning, Environmental and Engineering Services Department and R.V. Anderson Associates Limited.

The tender documents included two options for the installation of concrete dewatering bays and associated works. Option "A" includes four (4) dewatering bays and Option "B" includes the first four (4) dewatering bays plus three (3) additional dewatering bays for a total of seven (7) dewatering bays.

Four contractors submitted tenders as follows:

CONTRACTOR	OPTION A TENDER PRICE SUBMITTED (exclusive of HST)	OPTION B TENDER PRICE SUBMITTED (exclusive of HST)	CORRECTED TENDER PRICE
1. Finnbilt General Contracting Limited	\$1,410,103.00	\$1,747,306.00	-
2. Garnet Services Inc.	\$1,442,023.00	\$1,759,211.00	-
3. K & L Construction Ltd.	\$1,551,200.00	\$1,902,700.00	-
4. Hayman Construction Inc.	\$1,600,000.00	\$2,019,000.00	-

Finnbilt General Contracting Limited was the lowest bid for both options. All proposals included a contingency allowance of \$150,000.00.

All tenders came in below the consulting engineer's estimate of \$1,850,000.00 (excluding H.S.T.) for Option 'A' and \$2,450,000.00 (excluding H.S.T.) for Option 'B'.

There are no anticipated additional operating costs to the Planning, Environmental and Engineering Services budget in 2011 or subsequent years associated with the approval of this tender.

Resident Inspection and Contract Administration

Staff reviewed a proposal from R.V. Anderson Associates Limited and recommends the extension of services to carry out the additional resident inspection and contract administration required to install the three (3) additional dewatering cells contained within extended Option "B".

**Conclusions:**



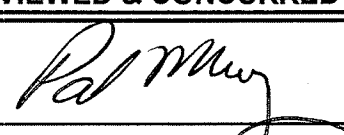
The ash handling system will free up lands for future expansion and provide a dryer ash residue within a cleaner site with benefits including reduced trucking and disposal costs.

It is recommended that Finnbilt General Contracting Limited be awarded the Greenway WWTP Ash Handling system. Staff evaluated the additional cost for the extended Option "B" and determined it would represent good value to install the additional dewatering bays at this price.

It is also recommended that R.V. Anderson and Associates Limited be awarded the additional Contract Administration given their previous involvement in the design. Their fee of \$35,000.00 in addition to the original budget of \$81,850.00 represents good value with engineering and contract administration (\$116,850.00 excluding HST) at less than 7% of the total contract price.

**Acknowledgements:**

This report was prepared within the Wastewater Treatment Operations Division by Richard Todd, P.Eng Environmental Services Engineer and Mark Elliott, Senior Engineering Technologist.

<b>SUBMITTED BY:</b>	<b>RECOMMENDED BY:</b>
	
<b>GEORDIE GAULD DIVISION MANAGER WASTEWATER &amp; TREATMENT OPERATIONS</b>	<b>RON STANDISH, P.ENG. DIRECTOR, WASTEWATER AND TREATMENT PLANNING, ENVIRONMENTAL AND ENGINEERING SERVICES</b>
<b>REVIEWED &amp; CONCURRED BY:</b>	
	
<b>PAT MCNALLY, P.ENG. EXECUTIVE DIRECTOR PLANNING, ENVIRONMENTAL AND ENGINEERING SERVICES</b>	

October 26, 2011

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Attach: Appendix "A" – Sources of Financing

- c.c. John Braam, City Engineer  
Carolyn Malott, Budget Analyst  
Glenn Finnie, Finnbilt General Contracting Limited  
Bob Kuzyk, P.Eng, R.V. Anderson Associates Limited

Chair and Members  
Built and Natural Environment Committee

October 28, 2011  
(Award Contract)

**RE: Greenway Wastewater Treatment Plant Ash Handling  
Capital Project ES5164 - 2009 New Equipment PCP  
Capital Project ES5165-11 - 2011 New Equipment PCP  
Finnbilt General Contracting Limited - \$1,747,306 (excluding H.S.T.)  
R.V. Anderson Associates Limited - \$116,850 (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 Director, Wastewater and Treatment, the detailed source of financing for this project is:

	<u>Approved Budget</u>	<u>Committed to Date</u>	<u>This Submission</u>	<u>Balance for Future Work</u>
<b><u>ESTIMATED EXPENDITURES</u></b>				
<b><u>ES5164 - 2009 New Equipment PCP</u></b>				
Engineering	\$680,016	\$680,016		\$0
Construction	\$1,724,927	\$1,449,687	\$275,240	0
City Related Expenses	\$8,888	\$4,110		4,778
Vehicles & Equipment	2,491,169	990,737		1,500,432
	<u>4,905,000</u>	<u>3,124,550</u>	<u>275,240</u>	<u>1,505,210</u>
<b><u>ES5165-11 - 2011 New Equipment PCP</u></b>				
Engineering	47,181	11,565	35,616	0
Construction	1,502,819		1,502,819	0
	<u>1,550,000</u>	<u>11,565</u>	<u>1,538,435</u>	<u>0</u>
<b>NET ESTIMATED EXPENDITURES</b>	<b><u>\$6,455,000</u></b>	<b><u>\$3,136,115</u></b>	<b><u>\$1,813,675</u></b> <sup>1)</sup>	<b><u>\$1,505,210</u></b>
<b><u>SOURCE OF FINANCING:</u></b>				
<b><u>ES5164 - 2009 New Equipment PCP</u></b>				
Drawdown from Sewage Works Reserve Fund	\$4,905,000	\$3,124,550	\$275,240	\$1,505,210
<b><u>ES5165-11 - 2011 New Equipment PCP</u></b>				
Drawdown from Sewage Works Reserve Fund	1,550,000	11,565	1,538,435	0
<b>TOTAL FINANCING</b>	<b><u>\$6,455,000</u></b>	<b><u>\$3,136,115</u></b>	<b><u>\$1,813,675</u></b>	<b><u>\$1,505,210</u></b>

1) **Financial Note:**

	<u>Construction</u>	<u>Engineering</u>	<u>Total</u>
Estimated Expenditure	\$1,747,306	\$116,850	\$1,864,156
Less: Amount previously approved		81,850	81,850
Contract Price	1,747,306	35,000	1,782,306
Add: HST @13%	227,150	4,550	231,700
Total Contract Price Including Taxes	1,974,456	39,550	2,014,006
Less: HST Rebate	196,397	3,934	200,331
Net Contract Price	<u>\$1,778,059</u>	<u>\$35,616</u>	<u>\$1,813,675</u>

- 2) There are no anticipated additional operating costs to the Planning, Environmental and Engineering Services budget in 2011 or subsequent years associated with the approval of this tender.

JG



Alan Dunbar

Manager of Financial Planning & Policy