

TO:	CHAIR AND MEMBERS BUILT AND NATURAL ENVIRONMENT COMMITTEE MEETING ON AUGUST 15, 2011
FROM:	RON STANDISH, P. Eng. DIRECTOR, WASTEWATER AND TREATMENT PLANNING, ENVIRONMENTAL AND ENGINEERING SERVICES
SUBJECT:	TENDER 11-72, GREENWAY PCP INCINERATOR NO. 1 DECOMMISSIONING (MULTI-HEARTH) PROJECT ES2095

RECOMMENDATION

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 decommissioning of the Greenway Pollution Control Center Incinerator No. 1:

- (a) the proposal submitted by Quantum Murray BP Inc., 345 Horner Avenue, Suite 300, Toronto ON, M8W 1Z6 at its price of \$937,000.00 excluding H.S.T. for the decommissioning of the Greenway Pollution Control Center Incinerator project **BE ACCEPTED**; it being noted that the tender submitted by Quantum Murray BP Inc. was deemed to provide the best value of the two submitted bids.
- (b) the financing for this project **BE APPROVED** as set out in the Sources of Financing Report attached hereto as Appendix "A";
- (c) AECOM Canada Ltd. **BE AUTHORIZED** to carry out the resident inspection and contract administration in accordance with the estimate, on file, to an upset limit of \$240,660.00 excluding H.S.T., noting that this firm completed the demolition design, based upon the Fee Guideline for Professional Engineering Services 2006. The award is in accordance with Section 15, Clause 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.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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ETC Meeting, May 8, 2000, Appointment of Consulting Engineer & Change in Project Scope and Budget – Greenway P.C.C. Incinerator Removal (ES5290).

BACKGROUND

Purpose:

The purpose of this report is to recommend Quantum Murray BP Inc. to complete the decommissioning of the Greenway Pollution Control Plant Incinerator No. 1, and to authorize AECOM Canada Ltd. to carry out resident inspection and contract administration.

Discussion:

Two multi-hearth incinerators (Nos. 1 & 2) were installed as part of the 1962 expansion of the Greenway Pollution Control Centre. In 1985, Multi-hearth Incinerator No. 2 was removed and a

new fluidized bed incinerator (i.e., Incinerator No. 2) was installed. The existing multi-hearth incinerator contains asbestos and has remained a liability for nearly 50 years. Contract documents and drawings were prepared in 2000 to decommission and remove the incinerator; however, the project did not go ahead as the price came in greater than the project budget at the time. Bids were in the order of \$1.0M and the budget for the project was around \$0.4M in 2000.

Because the incinerator and associated piping contain friable forms of amosite and chrysotile asbestos and non-friable chrysotile asbestos, there is a need to remove the incinerator and properly dispose of the asbestos. Friable asbestos can be crumbled, pulverized or powdered by hand pressure and presents an inhalation risk because the asbestos fibres are more easily released into the air. Since 2000, the requirements for asbestos removal have become more stringent. This type of asbestos requires the use of extreme caution during removal and demolition under full containment protocols. The requirements for the removal of asbestos fall under Ontario Regulation 278/05: Designated Substance — Asbestos on Construction Projects and in Buildings and Repair Operations.

The City retained AECOM Canada Ltd., to prepare contract drawings and documents for this project. The work is of a complex nature requiring:

- strict health and safety procedures for Type III asbestos removal;
- experience in the removal and disposal of naturally occurring radioactive materials (NORM's); and,
- structural expertise to properly remove the incinerator and support grating and flooring that was tied into the old incinerator.

Request for Pre-Qualification

Seven contractors were invited to pre-qualify and submit proposals outlining their corporate experience, qualifications on completing similar work, staff and resources, project management, and health and safety procedures and training. Prior to issuance of the Request for Pre-Qualification document to the contractors, the document was reviewed by the City's Solicitor's Office. Six (6) contractors submitted proposals and three (3) were pre-qualified.

Pre-qualification Evaluation

The pre-qualification proposals were reviewed by AECOM Canada Inc. and City staff and three were deemed to meet the requirements and asked to submit bids.

Tender 11-72

Tender Documents and Drawings were issued to the three (3) pre-qualified contractors and two submissions were received and opened on Wednesday July 20, 2011. The bids were evaluated taking in to consideration the number of working days to the complete the work. The tender included penalty and bonus clauses to encourage the bidders to minimize the number of working days and allow for the timely completion of the work. An incentive of \$1,000 per day for early completion and penalty of \$2,000 per day for going beyond their submitted number of working days was stipulated. The combination of price and number working days is summarized in the following table.

	CONTRACTOR	TENDER PRICE SUBMITTED (exclusive of HST)	CORRECTED TENDER PRICE
1.	Quantum Murray BP Inc.	\$937,000.00 (with 55 working days)	-
2.	Tri-Phase Environmental	\$1,061,831.82 (with 75 working days)	-

Quantum Murray BP Inc. at a contract price of \$937,000.00 excluding H.S.T. and fifty-five (55) working days were deemed to offer the best value. All proposals included a contingency allowance of \$200,000.00.

Chair and Members
Built and Natural Environment Committee

August 5, 2011
(Award Contract)

- Greenway PCP Incinerator No. 1 Decommissioning (Multi-Hearth)
Capital Project ES2095 - Bio-Solids Disposal and Optimization Plan
Quantum Murray BP Inc - \$937,000.00 (excluding H.S.T.)
AECOM Canada Ltd. - \$240,660.00 (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 Director, Wastewater and Treatment, the detailed source of financing for this project is:

ESTIMATED EXPENDITURES	Approved Budget	Committed to Date	This Submission	Balance for Future Work
Engineering	\$1,350,000	\$390,235	\$244,896	\$714,869
Construction	7,632,000	1,968,369	953,491	4,710,140
NET ESTIMATED EXPENDITURES	\$8,982,000	\$2,358,604	\$1,198,387	\$5,425,009

SOURCE OF FINANCING:

Drawdown from City Services - Sewers Reserve Fund (Development Charges)	\$2,597,300	\$811,490	\$412,311	\$1,373,499
Debtenture Quota (Serviced through City Services - Sewer R.F.(Development Charges))	493,000			493,000
Drawdown from Sewage Works Reserve Fund	1,254,469	1,254,469		0
Debtenture Quota (Serviced through Industrial Oversizing Reserve Fund)	613,700	161,139	81,874	370,687
Debtenture Quota	4,023,531	131,506	704,202	3,187,823
TOTAL FINANCING	\$8,982,000	\$2,358,604	\$1,198,387	\$5,425,009

1) **Financial Note:**

	Engineering	Construction	Total
Contract Price	\$240,660	\$937,000	\$1,177,660
Add: HST @13%	31,286	121,810	153,096
Total Contract Price Including Taxes	271,946	1,058,810	1,330,756
Less: HST Rebate	27,050	105,319	132,369
Net Contract Price	\$244,896	\$953,491	\$1,198,387

- 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.

EH



Alan Dunbar

Manager of Financial Planning & Policy

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 AECOM Canada Inc., and recommend the appointment of AECOM to carry out the resident inspection and contract administration. Their proposal includes the use of a specialty sub consultant, Ontario Environmental & Safety Network Inc., who will review safety and abatement plans, and carry out air sampling and inspections. Given the special requirements to dispose of asbestos, their team's experience in projects of a similar nature, and previous incinerator related services to London, AECOM offers good value to the City:

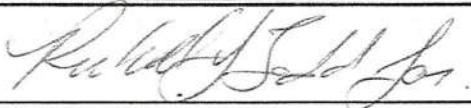
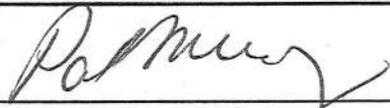
This work reflects a continuation of the original engineering assignment made to AECOM (previously Earth Tech) following the consultant procurement practices that were in place at the time. This continuation is recommended (the consultant's knowledge based on earlier work undertaken would need to be duplicated if another firm was selected) as we transition from assignments made under previous policies to current practices.

Conclusions:

It is recommended that Quantum Murray BP Inc. be awarded the Greenway Pollution Control Plant Incinerator No. 1 Decommissioning Project as their tender had the lowest cost and number of working days. It is further recommended that AECOM Canada Inc. be authorized to carry out the resident inspection and contract administration.

Acknowledgements:

This report was prepared within the Pollution Control Division by Richard Todd, P.Eng Environmental Services Engineer and Senior Engineering Technologists, Mark Elliott and Perry Rose.

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

August 5, 2011

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Attach: Appendix "A" – Sources of Financing

c.c. John Braam, Director of Water and City Engineer
Quantum Murray BP Inc.
John Armistead, P.Eng, AECOM Canada Ltd.