



STAFF REPORT ACTION REQUIRED

Contract Award - Contract 08FS –66WS, Tender Call 223-2008 and Purchase Order Amendments for Dufferin Reservoir Expansion – Phase 2

Date:	January 15, 2009
To:	Public Works & Infrastructure Committee
From:	Executive Director, Technical Services Acting Director, Purchasing and Materials Management Division
Wards:	Not Applicable
Reference Number:	P:/2009/Internal Services/pmmd/pw09003pmmd (AFS 8117)

SUMMARY

The purpose of this report is to advise on the results of the Tender Call 223-2008 issued for the Dufferin Reservoir Expansion Phase 2, in accordance with specifications and drawings as required by Technical Services, and to request authority to award a contract to the recommended bidder and to amend the purchase order for professional engineering services with Genivar (Ontario) Inc.

RECOMMENDATIONS

The Executive Director of Technical Services and the Acting Director of Purchasing and Materials Management Division recommend that Public Works & Infrastructure Committee grant authority to:

1. Award Contract 08FS-66WS, Tender Call 223-2008, for the Dufferin Reservoir Expansion to Bondfield Construction Company Limited, in the amount of \$41,881,619.05, net of GST, having submitted the lowest bid meeting specifications in conformance with the Tender requirements.
2. Amend Purchase Order No. 6023242 issued to Genivar (Ontario) Inc. for the provision of general office administration and site supervision services during construction by an additional amount of \$452,600.00 net of GST, for a revised total of \$1,415,207.00 net of GST, and extend the purchase order expiry date to December 31, 2013.

3. Amend Purchase Order No. 6023535 issued to Genivar (Ontario) Inc. for the provision of post construction services by extending the purchase order expiry date to December 31, 2015.

The total value of the contract award and combined purchase order amendments identified in this report is \$42,334,219.05 net of GST.

Financial Impact

The total construction contract award identified in this report is \$43,975,700.00 including all applicable taxes, charges and contingency allowances. The cost to the City, net of GST is \$41,881,619.05. The total purchase order amendments identified in this report is \$452,600.00, net of GST.

The total value of the contract award and combined purchase order amendments identified in this report is \$44,450,930.00, including all applicable taxes and charges. The total cost to the City net of GST is \$42,334,219.05

The funding for the contract award of \$41,881,619.05 and the purchase order amendment of \$452,600.00 is included in the approved 2009 Toronto Water Capital Budget and 2010-2013 Capital Plan in WBS Element CPW029 Elevated Storage Tank Expansion.

The following Table summarizes the cash flow requirements, for the contract award and purchase order amendments identified in this report, by year:

WBS Element	2009	2010	2011	2012	2013	Total
CPW029	\$3,000,000.00	\$7,500,000.00	\$12,475,000.00	\$15,202,600.00	\$4,156,619.05	\$42,334,219.05

The engineering estimate for this contract is \$49,000,000.00 net of GST.

The Acting Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

BACKGROUND

Tender Call 223-2008 was issued by Purchasing and Materials Management Division and was advertised on the City's Internet Website and in the Daily Commercial News on November 27, 2008.

The Purchasing and Materials Management Division at its Public Opening held on January 13, 2008, opened the following bids for Contract 08FS-66WS, Tender Call 223-2008, for the Dufferin Reservoir Expansion Phase 2:

Tenderer

Price Complete Including
All Charges, net of GST

Mettko Construction	\$39,252,075.24*
Bondfield Construction Company Ltd.	\$41,881,619.05
Graham Construction and Engineering	\$43,922,437.14**
Kenaidan Contracting Ltd.	\$44,619,047.62
Drainstar Contracting Ltd.	\$47,621,514.29**

* Mettko Construction's bid has been declared informal by Purchasing and Materials Management Division, as the Bid Bond and Agreement to Bond forms were not included with the bid submission as stated in Schedule "A", Form of Tender, Section 5, Page A-2.

** Tender price corrected for mathematical errors. Purchasing & Materials Management has verified that the mathematical errors were corrected.

COMMENTS

The Tender documentation submitted by the recommended bidder has been reviewed by the Executive Director of Technical Services and was found to be in conformance with the Tender requirements.

Technical Services staff have compared the bid to the estimated cost and found the price of the recommended bidder to be reasonable given the tender prices of all bidders.

The Fair Wage Office has reported that the recommended firm has indicated that it reviewed and understands the Fair Wage Policy and Labour Trades requirements and has agreed to comply fully.

Requirements for Additional Professional Services for Genivar (Ontario) Inc.

Background

The City of Toronto water treatment and supply system has 4 water treatment plants, 11 reservoirs and 18 pumping stations that supply and distribute water to the City of Toronto and York Region users.

The Dufferin Reservoir was constructed and placed into service in the 1970's. The reservoir provides elevated equalization and fire/emergency storage for Pressure District 5 in the City of Toronto and the Region of York and receives water from the City of Toronto's four water treatment plants via a transmission network and pumping stations. It is fed directly by one watermain with isolation valves upstream of the reservoir and requires constant coordination with the York Region and the City of Vaughan systems operators.

A Toronto-York Region Joint Optimization Study, updated in 2006, recommended expansion of the Dufferin Reservoir by 136 mega-litres to support current population growth projections and enhance water supply.

In 2007 Request for Proposals (RFP# 9117-07-7073) was issued for Dufferin Reservoir Expansion Project and awarded to Genivar (Ontario) Inc. The work under the RFP allowed for construction contract administration and site inspection services based on one construction contract of 104 weeks duration. Subsequent to award of the RFP and during the pre-design phase of the assignment, it was decided to complete the construction as two separate construction contracts. An advance contract (Phase 1) to install reservoir isolation valves, and a main contract (Phase 2) for the construction of the reservoir expansion.

Contract 08FS-65WS for Phase 1 has been awarded and construction is underway. The tendered duration of the Phase 1 construction contract is 36 weeks. Contract 08FS-66WS has a tendered duration of 130 weeks as stipulated in the tender documents. Therefore, the total construction duration for both contracts is 166 weeks.

RFP 9117-07-7073 was awarded for the design, general office administration and site supervision services during construction for the Dufferin Reservoir Expansion based on 104-week construction duration. Based on the construction tender duration of total 166 weeks for Phase 1 and Phase 2, an additional 62 weeks (166-104 weeks) of general administration and site inspection services is required as compared to the 104 week construction schedule as identified by RFP 9117-07-7073.

Genivar (Ontario) Inc.'s proposal had identified an amount of \$7,300.00 per week inclusive of disbursements and exclusive of GST, for any additional general office administration and site inspection services during construction. Based on this weekly rate, the additional 62 weeks of construction services results in an additional amount of \$452,600.00 thus revising the cost related to engineering services during construction cost from \$962,607.00 to \$1,415,207.00 exclusive of GST.

Based on the above additional time required, it is requested that Purchase Order No. 6023242 issued to Genivar (Ontario) Inc. for the provision of general office administration and site supervision services during construction, be amended for an additional \$452,600.00 net of GST (\$475,230.00 inclusive of GST) and to amend the delivery date of this Purchase Order to December 31, 2013.

The warranty period will commence at the end of the construction of Phase 2 and is for two (2) years. Subsequently, it is also requested that the expiry date of Purchase Order No. 6023535 for the provision of post construction services by Genivar (Ontario) Inc. be amended to December 31, 2015.

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SIGNATURE

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