



STAFF REPORT ACTION REQUIRED

Humber and Chapman Sanitary Trunk Sewers Rehabilitation: Contract Award for Tender Call No. 362-2015

Date:	March 29, 2016
To:	Public Works & Infrastructure Committee
From:	Executive Director, Engineering & Construction Services Director, Purchasing and Materials Management Division
Wards:	Ward 2 – Etobicoke North Ward 4 – Etobicoke Centre Ward 11 – York South
Reference Number:	P:\2016\Cluster B\TEC\PW16006 (AFS# 22517)

SUMMARY

The purpose of this report is to advise on the results of Tender Call No. 362-2015 for the rehabilitation of the Humber Sanitary Trunk Sewer between MH320-024 and MH320-015 and the Chapman Sanitary Trunk Sewer between MH331-001 and MH320-021, and request the authority to award a contract to Southland Renda of Canada JV (Southland Renda) in the amount of \$20,304,256 net of HST and all applicable charges (\$20,661,611 net of HST recoveries).

RECOMMENDATIONS

The Executive Director of Engineering & Construction Services and the Director of Purchasing and Materials Management recommend that:

1. The Public Works and Infrastructure Committee, in accordance with Section 195-14C of the Toronto Municipal Code Chapter 195 (Purchasing By-Law), grant authority to award Contract No. 15ECS-LU-08TT, Tender Call No. 362-2015 for the rehabilitation of the Humber Sanitary Trunk Sewer (STS) between MH320-024 and MH320-015 and the Chapman STS between MH331-001 and MH320-021 to Southland Renda of Canada JV, in the amount of \$20,304,256 net of HST

and all applicable charges (\$20,661,611 net of HST recoveries) having submitted the lowest compliant bid and meeting the specifications in conformance with the Tender requirements.

Financial Impact

The total amount to award Tender Call No. 362-2015, Contract No. 15ECS-LU-08TT, rehabilitation of the Humber STS between MH320-024 and MH320-015 and the Chapman STS between MH331-001 and MH320-21 is \$20,304,256 net of all taxes, \$20,661,611 net of HST recoveries and \$22,943,809 including HST and all applicable charges. The engineering estimate for this project was \$33,136,143 including HST and all applicable charges.

Funding to award Tender Call No. 362-2015 is available in the Toronto Water 2016 Approved Capital Budget and 2017-2025 Approved Capital Plan. Funding details are provided below (net of HST recoveries):

WBS Element	Description	2016	2017	2018	Total
CWW014-15-07	Trunk Sewer Rehab-2014	\$8,217,491	\$10,975,000	\$1,469,120	\$20,661,611

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

ISSUE BACKGROUND

In 2012, Toronto Water completed a camera inspection and assessment program which identified the need to rehabilitate various sanitary trunk sewers and maintenance holes to bring them to a state of good repair. After a detailed review of the camera inspection and assessment report, Toronto Water developed a long-term trunk sewer rehabilitation program. In 2013, a combined total 2,500 metre length of the Humber STS and the Chapman STS (see Figure 1 in the Attachment) was identified as a priority rehabilitation project due to severe corrosion in the pipes and the high potential risk of failure (sewer break) as they are located adjacent to, and crossing, the Humber River.

In July 2015, Request to Pre-Qualify (RTP) No. 3907-15-5052 was issued by the Purchasing & Materials Management Division (PMMD) to identify contractors having slip-lining, tunneling and other relevant construction experience required for the Humber STS and Chapman STS rehabilitation project. In response to this RTP, PMMD received six (6) responses. One response was found to be non-compliant by PMMD. The other five (5) responses met the experience and qualifications requirements outlined in the RTP and included:

1. Capital Sewer Services Inc.;
2. C&M McNally Engineering Corp.;
3. Michels Canada Co.;
4. Southland Renda of Canada JV; and,
5. Spiniello Companies.

Subsequently, Tender Call No. 362-2015 (15ECS-LU-08TT) for the rehabilitation of a combined total 2,500 m length of the Humber STS between MH320-024 and MH320-015 and the Chapman STS between MH331-001 and MH320-021 was issued to the five pre-qualified bidders on December 23, 2015. PMMD, at its Public Opening held on February 11, 2016, opened the following Tenders:

Bidder	Bid price including HST
Southland Renda of Canada JV	\$22,943,809
Capital Sewer Services Inc.	\$39,995,880 *
Michels Canada Co.	\$40,217,097 +
C&M McNally Inc.	\$42,453,375

* Tender Price corrected for mathematical errors. PMMD has verified that the mathematical errors were corrected.

+ Bidder was found non-compliant with mandatory requirements.

Spiniello Companies did not submit a bid.

COMMENTS

The Tender documents submitted by the recommended bidder for Tender Call No. 362-2015, Contract No. 15ECS-LU-08TT, Humber STS and Chapman STS Rehabilitation were reviewed by the Executive Director, Engineering & Construction Services (ECS), and were found to be in conformance with the Tender requirements.

ECS staff compared the bids to the estimated cost and found the price of the recommended bidder of \$22,943,809 including HST and all applicable charges to be significantly lower than the pre-tender engineering estimate of \$33,136,143 including HST and all applicable charges. Although the specifications in the Tender allowed the bidders to determine whether or not a temporary sewer bypass would be required to complete the project, the pre-tender engineering estimate for the slip-lining project included the provision of a temporary sewer bypass. The recommended bidder is planning to complete the slip-lining without a temporary sewer bypass based on their analysis of sewer flow data and their experience on similar projects. As a result, their bid price is considerably lower than the other bidders' prices and the pre-tender engineering estimate.

PMMD issued a request for clarification to the recommended bidder to ensure full understanding of the significant cost difference between the pre-tender engineering

estimate and the bid price. The request for clarification consisted of a number of questions to ensure that the recommended bidder's submission was accurate, that they understood the scope of work, and that they understood there would be no additional compensation if their chosen construction method proves unworkable and a temporary sewer bypass is required.

Based upon the satisfactory response to the request for clarification, and their demonstrated experience, as determined through further reference checks completed by staff, ECS and PMMD are recommending award of Tender Call No. 362-2015, Contract No. 15ECS-LU-08TT, to Southland Renda of Canada JV.

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

This report was prepared in consultation with Toronto Water staff.

CONTACT

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SIGNATURES

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ATTACHMENT

1. Figure 1: Humber STS and Chapman STS Rehabilitation Project Limits (15ECS-LU-08TT)

PW12.11 Attachment 1

Figure 1: Humber STS and Chapman STS Rehabilitation Project Limits (15ECS-LU-08TT)

