



STAFF REPORT ACTION REQUIRED

Contract No. 08FS - 62WP, Tender Call 236-2008 Highland Creek Wastewater Treatment Plant Plant Instrumentation and Paging Services

Date:	April 17, 2009
To:	Public Works & Infrastructure Committee
From:	Executive Director, Technical Services Acting Director, Purchasing and Materials Management Division
Wards:	Ward 44 – (Scarborough East)
Reference Number:	P:/2009/Internal Services/pmmd/pw09011pmmd (AFS 9794)

SUMMARY

The purpose of this report is to advise on the results of the Tender Call 236-2008 issued for the Highland Creek Wastewater Treatment Plant – Plant Instrumentation and Paging Services, in accordance with specifications as required by Technical Services and request authority to award a contract to the recommended bidder.

RECOMMENDATIONS

The Executive Director of Technical Services and the Acting Director of Purchasing and Materials Managements recommend that Council grant authority to:

1. Reallocate funds in 2009 in the amount of \$800,000.00 net of GST to CWW024-02 Highland Creek TP Plant Services from CWW036-03 Highland Creek Treatment Plant – Thermal Technology, Phase 1.
2. Award Contract 08FS-62WP, Tender Call 236-2008, for the Highland Creek Wastewater Treatment Plant – Plant Instrumentation and Paging Services to Quantech Electrical Contractors Limited in the total amount of \$3,199,333.33, net of GST, being the lowest compliant bid received.

Financial Impact

The total contract award identified in this report is \$3,359,300.00, including all applicable taxes and charges. The cost to the City net of GST is \$3,199,333.33.

This project is included in the approved 2009 Toronto Water Capital Budget and 2009-2013 Capital Plan in WBS Element CWW024-02 Highland Creek TP PCS Plant Services. However, at this time, the uncommitted cash flow is insufficient and additional cash flow authority is required to meet these commitments. An additional \$800,000.00 is required in order to complete the construction, net of GST.

The cash flow requirements for this project are \$800,000.00 in 2009, \$1,000,000.00 in 2010, \$1,000,000.00 in 2011 and \$399,333.33 in 2012 net of GST.

The pre-tender engineering estimate for the construction project was \$2,400,000.00 net of GST. This estimate was finalized after the 2009 budget cycle was initiated, and was therefore not reflected in the approved 2009 Toronto Water Capital Budget. The tender price is approximately \$800,000.00 higher than the pre-tender estimate due to the following:

- tender price includes approximately \$60,000.00 for an additional consultant's field office;
- pre-tender estimate did not include approximately \$300,000.00 in additional work related to the supply and installation of the emergency lights due to revision of scope during tendering;
- the pre-tender estimate did not account for implementation of constraints in the construction schedule in order to avoid conflict in time and space with other construction activities; and
- market conditions and activities are such that currently all major water and wastewater contractors are busy with other construction projects throughout the Greater Toronto Area (GTA). Municipalities in the GTA (including the City of Toronto) have in place significant capital investment programs designed to meet growth demands, repair older infrastructure and enhance existing treatment systems. Consequently, prices for construction projects are continuously increasing. Furthermore, the international market demand and the changes to the Canadian currency are driving up the prices for raw materials and consumables for the construction industry.

The additional cash flows (net of GST) will be funded from the 2009 Toronto Water Capital Budget by reallocating funds as described below:

Account	2009	2010	2011	2012	Total
CWW036-03 Highland Creek Treatment Plant – Thermal Technology – Phase 1	\$800,000.00	\$0	\$0	\$0	\$800,000.00
CWW024-02 HCTP PCS Plant Services (before reallocation)	\$0	\$1,000,000.00	\$1,000,000.00	\$399,333.33	\$2,399,333.33
TOTAL CWW024-02 (including reallocation)	\$800,000.00	\$1,000,000.00	\$1,000,000.00	\$399,333.33	\$3,199,333.33

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

BACKGROUND

The Purchasing and Material Management Division, at its Public Opening held on March 5, 2009, opened the following bids for Contract 08FS-62WP, Tender Call 236-2008, for the Highland Creek Wastewater Treatment Plant – Plant Instrumentation and Paging Services.

<u>Tenderer</u>	<u>Price Complete Including All Charges, net of GST</u>
Quantech Electrical Contractors Limited	\$3,199,333.33
Comstock Canada Ltd.	\$3,371,213.33
Black & McDonald Limited	\$4,282,857.14
Ainsworth Inc.	\$4,666,666.67
Sutherland-Schultz Inc.	\$5,127,128.57
Ozz Electric Inc.	\$5,258,034.29*
Industrial Electrical Contractors Limited	\$5,511,047.62

* Bid received from Ozz Electric Inc. has been declared informal due to failure to include Corporate Seal on signing page.

COMMENTS

The Highland Creek Treatment Plant (HCTP) is located at the mouth of Highland Creek on a 59 hectares (ha) (145.8 acres) site in the Scarborough community (West Hill). The Municipality of Scarborough initiated the original plant construction under an agreement with the Municipality of Metropolitan Toronto in 1954, and construction was completed in 1956. The plant had a treatment capacity of 18,000 m³/d (4 mgd). Over the years the plant has been enlarged to its present capacity of 219,000 m³/d (48 mgd). The treatment of wastewater at the Highland Creek Treatment Plant is accomplished through the following processes: preliminary treatment, primary treatment, secondary treatment, phosphorous removal, sludge treatment, anaerobic digestion, disinfection, biosolids

treatment, and odour control. The HCTP is located in a residential and industrial zone in the east end of the City.

The scope of work under this contract includes, but is not limited to, the supply of materials, labour, equipment, and permits necessary for the complete construction and installation of the electrical power monitoring network, Plant Services Instrumentation, Controls and RPUs, Emergency Lighting System, Exit Sign System, Paging System, and Mobile Handset System.

The existing emergency lighting system was installed in the mid 1970's to early 80's and are no longer functioning reliably. The existing plant wide paging system is also of the same vintage and has inadequate communication coverage in certain areas of the plant. In the event of a power failure or accident, the lack of lighting or adequate communication in certain areas of the plant may pose a safety risk to all personnel.

It is imperative to proceed with the work as these modifications will not only provide additional functionality to these systems but also improve safety, communication, control and monitoring for plant personnel.

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.

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