



**STAFF REPORT
ACTION REQUIRED**

**Contract Award for Tender Call 23-2015
Trenchless Rehabilitation of Existing Watermains**

Date:	March 19, 2015
To:	Public Works & Infrastructure Committee
From:	General Manager, Toronto Water Director, Purchasing and Materials Management Division
Wards:	Wards 14, 19, 21, 30 & 32
Reference Number:	P:\2015\Cluster B\TW\PW150005

SUMMARY

The purpose of this report is to advise of the results of Tender Call 23-2015, The Full Length Trenchless Rehabilitation (CIPP System) of Existing Watermains on Commercial and Residential Streets in Toronto and East York Districts, in accordance with specifications as required by Toronto Water, and request the authority to award a contract to Fer-Pal Construction Ltd., in the amount of \$22,120,183.20 net of all taxes (\$22,509,498.42 net of HST recoveries).

RECOMMENDATIONS

The General Manger of Toronto Water and Director of Purchasing & Materials Management recommend that:

1. The Public Works & Infrastructure Committee, in accordance with Section 195-14C of Toronto Municipal Code Chapter 195 (Purchasing By-Law), grant authority to award Contract MCP15-20WS, Tender Call 23-2015 for The Full Length Trenchless Rehabilitation (CIPP System) of Existing Watermains on Commercial and Residential Streets in Toronto and East York Districts to Fer-Pal Construction Ltd., in the amount of \$22,120,183.20 net of all taxes (\$22,509,498.42 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 Contract MCP15-20WS, The Full Length Trenchless Rehabilitation (CIPP System) of Existing Watermains on Commercial and Residential Streets in Toronto and East York Districts, identified in this report is \$24,995,807.02 including HST and all applicable charges (\$22,120,183.20 net of HST and all applicable charges). The cost to the City, net of HST recoveries, is \$22,509,498.42. The engineering estimate for this project was \$21,128,655.25 including HST and all applicable charges (\$18,697,925.00 net of HST and all applicable charges).

Funding is included in 2015 Approved Capital Budget and 2016-2024 Capital Plan for Toronto Water. Funding details are provided below (net of HST recoveries):

WBS Element	Description	2015	2016	Total
CPW543-04	Watermain Structural Lining	\$12,592,424.87	\$3,148,106.22	\$15,740,531.09
CPW544-03	All District Water Service Repair – Lead Replacement	\$ 3,384,483.66	\$3,384,483.67	\$ 6,768,967.33
Total		\$15,976,908.53	\$6,532,589.89	\$22,509,498.42

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

BACKGROUND

Tender Call 23-2015 was issued by the Purchasing & Materials Management Division and was advertised on the City's Internet Website on February 6, 2015.

The Purchasing & Materials Management Division, at its Public Opening held on February 24, 2015, opened the following tender submission:

Bidders	Total Price (including HST and all applicable charges)
Fer-Pal Construction Ltd.	\$24,995,807.02

COMMENTS

The tender documents submitted for Tender Call 23-2015, Contract No. MCP15-20WS, The Full Length Trenchless Rehabilitation (CIPP System) of Existing Watermains on Commercial and Residential Streets in Toronto and East York Districts by the recommended bidder have been reviewed by the General Manager of Toronto Water and have been found to be in conformance with the Tender requirements.

Toronto Water staff have compared the bids to the estimated cost and found the price of the recommended bidder of \$24,995,807.02 including all taxes and charges to be higher than the engineering estimate of \$21,128,655.25 including all taxes and charges.

Several of the locations in this contract are in the work restriction zone for the Pan-Am Games and the contractor will not be able to work at these locations during July and August 2015. It is possible that the added restrictions have contributed to the higher than expected price. Although the price is higher than expected, staff have reviewed the unit rates and found them to be reasonable.

The scope of work under Contract No. MCP15-20WS, the Full Length Trenchless Rehabilitation (CIPP System) of Existing Watermains on Commercial and Residential Streets in Toronto and East York Districts, include the watermain cleaning and Cured-In-Place-Pipe (CIPP) Lining, water service upgrades and cathodic protection of watermains. The standard for work completed under this contract will include temporary road restoration following all underground work. The program is required to keep municipal infrastructure in a state of good repair.

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

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