



## STAFF REPORT ACTION REQUIRED

### Contract Award for Tender Call 2-2015 Ellesmere Pumping Station Power Generators Upgrade

<b>Date:</b>	March 3, 2016
<b>To:</b>	Public Works & Infrastructure Committee
<b>From:</b>	General Manager, Toronto Water Director, Purchasing and Materials Management Division
<b>Wards:</b>	43
<b>Reference Number:</b>	P:\2016\Cluster B\TW\PWI16006

#### SUMMARY

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The purpose of this report is to advise of the results of Tender Call 2-2015, for the Ellesmere Pumping Station Power Generators Upgrade, in accordance with specifications as required by Toronto Water, and to request the authority to award a contract to A Plus General Contactor Corp., in the amount of \$23,835,000 net of all taxes (\$24,254,496 net of HST recoveries).

#### RECOMMENDATIONS

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**The General Manger of Toronto Water and Director of Purchasing and 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 MCP-13-18WS, Tender Call 2-2015 for the Ellesmere Pumping Station Power Generators Upgrade to A Plus General Contactor Corp., in the amount of \$23,835,000 net of all taxes (\$24,254,496 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 MCP-13-18WS, The Ellesmere Pumping Station Power Generators Upgrade, identified in this report is \$26,933,550 including HST and all applicable charges. The cost to the City, net of HST recoveries, is \$24,254,496. The engineering estimate for this project was \$27,620,231 including HST and all applicable charges (\$25,550,314 net of HST and all applicable charges).

Funding is available in Toronto Water's 2016 Approved Capital Budget and 2017-2025 Capital Plan as summarized in the following table (net of HST recoveries):

Acct #	Program Area	2016	2017	Total
CPW069-01	Standby Power - Ellesmere	\$9,000,000	\$15,254,496	\$24,254,496

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

## DECISION HISTORY

At its meeting on June 19, 2013, Bid Committee granted authority to award an engineering consultant services agreement to Cole Engineering Group Ltd., as the highest overall scoring proponent meeting the requirements of RFP 9117-12-7279, for the provision of professional engineering services for the installation of non-emergency generator, its building and associated electrical systems and controls at the Ellesmere Pumping Station for an award value of \$1,492,274 net of all applicable taxes and charges. The following is the link to the Bid Committee approval:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.BD129.2>

## ISSUE BACKGROUND

Tender Call 2-2015 was issued by the Purchasing & Materials Management Division and was advertised on the City's Internet Website on November 5, 2015.

The Purchasing & Materials Management Division, at its Public Opening held on February 1, 2016, opened the following tender submission:

<b>Bidders</b>	<b>Price Complete Including HST</b>
A Plus General Contactor Corp.	\$26,933,550
Alberici Constructors Ltd.	\$27,493,336
Kenaidan Contracting Ltd.	\$28,054,510
Torbear Contracting Inc.	\$28,659,124
Defaveri Group Contracting	\$29,222,835
Black & McDonald Ltd.	\$31,077,430

## **COMMENTS**

### **Toronto Water Treatment & Supply Standby Power Program**

The current Toronto Water Treatment & Supply (WT&S) infrastructure was largely built from 1954 through to 1980 by the former Metropolitan Toronto, although there are some system elements dating back to the early 1900s. As such, most facilities are either at the middle or end of normal lifecycles.

The City's Water Treatment & Supply (WT&S) Sustainability Strategy objectives are to meet future growth requirements, address regulatory changes, optimize processes, achieve revenue benefits, and maintain effective and reliable service delivery to approximately 3.5 million residents and businesses in Toronto and portions of York Region.

The Strategy is based on the four key elements of water quality, water quantity, infrastructure renewal and energy optimization and includes the following plans and studies: a Water Quality Master Plan, Joint Optimization Study, System Sustainability Study, Toronto Water Energy Optimization Master Plan, and Facility Condition Assessments. A significant component of the System Sustainability Study relates to improvements to the standby power facilities at key water treatment plants and pumping stations.

In August, 2003, a widespread electrical blackout in Southern Ontario revealed gaps in Toronto Water's ability to provide adequate drinking water supply for extended periods of power disruption. A study on system sustainability was completed in 2008 to specify standby power and water storage requirements to enable the City to supply water for at least 72 hours following a major power loss. Since then, while some localized enhancements including generator installations and reservoir expansions have been made, further work is required on a system-wide basis. Updating of the System Sustainability Study has been initiated in 2014 and will be completed in 2016.

### Budget/Financial Status

To date since the beginning of the program, Toronto Water has spent approximately \$1 million towards improvements to the standby power facilities at key water treatment plants and pumping stations. The Division plans to spend an additional \$61 million over the next five-year period and an additional \$77 million over the following five-year period for a total of \$139 million.

The table below shows the expenditures to-date and the projected cash flows for the various accounts related to the standby power program within Toronto Water's 2016 Approved Capital Budget and 2017-2025 Capital Plan:

**Table 1: Expenditures to-date and Projected Cash Flows**

<b>Capital Account</b>	<b>Project Name</b>	<b>Expenditures Prior to 2016 (\$,000) A</b>	<b>Cash Flow 2016-2020 (\$,000) B</b>	<b>Cash Flow 2021-2025 (\$,000) C</b>	<b>Total (\$,000) A+B+C</b>
CPW020-5	Toronto York System Sustainability Study	34	113	0	147
CPW069-01	Ellesmere Pumping Station	906	26,734	0	27,640
CPW069-03	Rosehill Pumping Station	7	15,057	15	15,079
CPW070-A	R.L. Clark, R.C. Harris, Island, High Level PS, Keele PS, Lawrence PS, Richview PS, West Toronto PS, Amour Heights PS	0	18,600	77,300	95,900
	<b>Total</b>	<b>948</b>	<b>60,504</b>	<b>77,315</b>	<b>138,767</b>

This level of investment will ensure Toronto Water is capable of producing and delivering sufficient high quality drinking water for all its customers, meeting all current and potential legislated requirements.

### **Contract Award for Tender Call 2-2015, Ellesmere Pumping Station Power Generators Upgrade**

The tender documents submitted for Tender Call 2-2015, Contract No. MCP-13-18WS, The Ellesmere Pumping Station Power Generators Upgrade, 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 \$26,933,550 including all taxes and charges to be less than the engineering estimate of \$27,620,231 including all taxes and charges.

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.

## **CONTACTS**

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## **SIGNATURE**

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