



REPORT FOR ACTION

Contract Awards for Tender Call No. 39-2018 and Tender Call No. 40-2018 for the Construction of Sewers and Watermains Associated with the Basement Flooding Protection Program

Date: June 22, 2018

To: Public Works and Infrastructure Committee

From: Chief Engineer and Executive Director, Engineering and Construction Services

Chief Purchasing Officer

Wards: 7 (York West), 8 (York West), 9 (York Centre), 15 (Eglinton-Lawrence) and 16 (Eglinton-Lawrence)

SUMMARY

The purpose of this report is to: (1) advise of the results of Tender Call No. 39-2018, Contract No. 18ECS-LU-08FP, for storm sewer, sanitary sewer and watermain construction in Basement Flooding Protection Program Study Area 13, roughly bounded by Sheppard Avenue West, Finch Avenue West, Highway 400 and Jane Street, and request authority to award the contract to Varcon Construction Corporation in the amount of \$26,349,246 net of all applicable taxes and charges (\$26,812,993 net of HST recoveries); and (2) advise of the results of Tender Call No. 40-2018, Contract No. 18ECS-LU-09FP for storm sewer, sanitary sewer and watermain construction in Basement Flooding Protection Program Study Area 18, roughly bounded by Lawrence Avenue West, Wilson Avenue, Allen Road and Avenue Road, and request authority to award the contract to Trisan Construction O/A 614128 Ontario Ltd. (Trisan Construction) in the amount of \$20,228,659 net of all applicable taxes and charges (\$20,584,684 net of HST recoveries).

RECOMMENDATIONS

The Chief Engineer and Executive Director of Engineering and Construction Services and the Chief Purchasing Officer recommend that:

1. The Public Works and Infrastructure Committee, in accordance with Section 195-8.4A of the Toronto Municipal Code Chapter 195 (Purchasing By-Law), grant authority to award Contract No. 18ECS-LU-08FP, Tender Call No. 39-2018, for storm sewer, sanitary sewer and watermain construction in the area bounded by Sheppard Avenue West, Finch Avenue West, Highway 400 and Jane Street, in the amount of \$26,349,246 net of all taxes (\$26,812,993 net of HST recoveries) to Varcon Construction Corporation, having submitted the lowest compliant bid and meeting the specifications in conformance with the Tender requirements.
2. The Public Works and Infrastructure Committee, in accordance with Section 195-8.4A of Toronto Municipal Code Chapter 195 (Purchasing By-Law), grant authority to award Contract No. 18ECS-LU-09FP, Tender Call 40-2018, for storm sewer, sanitary sewer and watermain construction in the area bounded by Lawrence Avenue West, Wilson Avenue, Allen Road and Avenue Road, in the amount of \$20,228,659 net of all taxes (\$20,584,684 net of HST recoveries) to Trisan Construction, having submitted the lowest compliant bid and meeting the specifications in conformance with the Tender requirements.

FINANCIAL IMPACT

Tender Call No. 39-2018, Contract No. 18ECS-LU-08FP

The total value of the contract award for Tender Call No. 39-2018, Contract No. 18ECS-LU-08FP, for storm sewer, sanitary sewer and watermain construction in area bounded by Sheppard Avenue West, Finch Avenue West, Highway 400 and Jane Street, is \$29,774,649 including HST and all applicable charges. The total cost to the City is \$26,812,993 net of HST recoveries.

Funding is included in the Toronto Water 2018 Approved Capital Budget and 2019-2027 Approved Capital Plan in the accounts CWW421-17-03, CPW542-23-03, CPW544-19-07 and CWW472-20-02 and in the Transportation Services 2018 Approved Capital Budget and 2019-2027 Approved Capital Plan in the accounts CTP315-06-295, CTP315-07-242, TP0358-4495 and TP0163-4498. Funding details are provided in Table 1 below (all values are net of HST recoveries):

Table 1: Projected Cash Flow for Contract No. 18ECS-LU-08FP

WBS Element	2018	2019	2020	2021	Total
CWW421-17-03	\$1,699,706	\$7,436,212	\$7,436,212	\$4,674,191	\$21,246,321
CPW542-23-03	\$360,168	\$1,575,736	\$1,638,198	\$928,000	\$4,502,102
CPW544-19-07	\$68,892	\$301,404	\$490,857	\$0	\$861,153
CWW472-20-02	\$12,568	\$54,987	\$89,550	\$0	\$157,105
CTP315-06-295	\$0	\$2,714	\$0	\$0	\$2,714
CTP315-07-242	\$4,603	\$4,911	\$11,123	\$11,506	\$32,143
TP0358-4495	\$79	\$344	\$344	\$216	\$982
TP0163-4498	\$838	\$3,666	\$3,666	\$2,304	\$10,474
Total	2,146,853	\$9,379,973	\$9,669,950	\$5,616,217	\$26,812,993

Tender Call No. 40-2018, Contract No. 18ECS-LU-09FP

The total value of the contract award for Tender Call 40-2018, Contract No. 18ECS-LU-09FP, for storm sewer, sanitary sewer and watermain construction in the area bounded by Lawrence Avenue West, Wilson Avenue, Allen Road and Avenue Road, is \$22,858,385 including HST and all applicable charges. The total cost to the City is \$20,584,684 net of HST recoveries.

Funding is included in the Toronto Water 2018 Approved Capital Budget and 2019-2027 Approved Capital Plan in the accounts CWW421-17-04, CPW542-23-04 and CPW544-19-08 and in the Transportation Services 2018 Approved Capital Budget and 2019-2027 Approved Capital Plan in the accounts CTP315-07-235, TP0191-4498 and TP0372-4495. Funding details are provided in Table 2 below (all values are net of HST recoveries):

Table 2: Projected Cash Flow for Contract No. 18ECS-LU-09FP

WBS Elements	2018	2019	2020	Total
CWW421-17-04	\$1,514,839	\$9,467,747	\$7,952,907	\$18,935,493
CPW542-23-04	\$58,881	\$368,006	\$309,125	\$736,013
CPW544-19-08	\$65,005	\$406,281	\$341,276	\$812,563
CTP315-07-235	\$5,692	\$35,573	\$29,881	\$71,145
TP0191-4498	\$2,029	\$12,679	\$10,650	\$25,357
TP0372-4495	\$329	\$2,056	\$1,727	\$4,113
Total	\$1,646,775	\$10,292,342	\$8,645,567	\$20,584,684

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

DECISION HISTORY

Recommended Basement Flooding Protection Program projects that are identified through completed Class Environmental Assessment (EA) studies are prioritized and sequenced for implementation as per Council-adopted criteria to prioritize sanitary sewer improvements and protect the greatest number of properties as soon as possible, within approved budgets and in coordination with other capital project and population growth needs in the area. Recommended projects that continue to meet the prioritization criteria, during the preliminary design stage that follows the Class EA study stage, are moved into detailed design and subsequently construction. The Council-adopted criteria were established at the City Council meetings of September 24, 2008 and September 21, 2011 and the corresponding staff reports can be found at:

<http://www.toronto.ca/legdocs/mmis/2008/ex/bgrd/backgroundfile-15074.pdf>

and,

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2011.PW7.6>

In support of Toronto Water's 2018-2027 Approved Capital Budget and Plan submission, a Briefing Note titled "2018 Capital Budget Briefing Note #2 - Basement Flooding Protection Program - Project List: 2018 to 2022" contains the updated planned schedule for engineering design and construction of infrastructure upgrades supporting Toronto Water's Basement Flooding Protection Program. A copy of the Briefing Note can be found at:

<https://www.toronto.ca/legdocs/mmis/2017/bu/bgrd/backgroundfile-108710.pdf>

COMMENTS

Background for Tender Call No. 39-2018, Contract No. 18ECS-LU-08FP

Study Area 13 of the Basement Flooding Protection Program (BFPP), as shown in Figure 1, is roughly bounded by Highway 400 to the west, Sheppard Avenue West to the south, Finch Avenue West to the north and Jane Street to the east. The Class Environmental Assessment (EA) for BFPP Study Area 13 was approved in 2014.

The recommended solution to provide protection against basement flooding includes projects on many streets within Study Area 13. Projects that met the Council-adopted criteria for prioritizing sewer improvements, as well as other state of good repair projects, are included in Contract No. 18ECS-LU-08FP. The locations of these projects, shown in Figure 2, are as follows:

- Friary Court (south of Cobb Avenue): storm sewer replacement
- Frith Road (from Jane Street to Laura Road): storm sewer and watermain replacement
- Jane Street (from Finch Avenue West to Frith Road): storm sewer and watermain replacement
- Larchwood Road (west of Lomar Drive): storm sewer and sanitary sewer replacement
- Laura Road (from Sheppard Avenue West to Frith Road): storm sewer, sanitary sewer and watermain replacement
- Lomar Drive (from Sheppard Avenue West to 180 metres west of Laura Road): storm sewer and sanitary sewer replacement
- Ryewood Drive (from Lomar Drive to 100 metres east of Lomar Drive): storm sewer replacement
- Sheppard Avenue West (from Lomar Drive to Laura Road): storm sewer replacement
- Silvio Colella Park: storm sewer replacement
- Snowood Court (from Laura Road to Laura Road): storm sewer and sanitary sewer replacement
- Stanley Road (from Mayberry Road to Jane Street): sanitary sewer replacement
- Yatescastle Drive (just south of Arthur Griffith Drive): storm sewer replacement

Contract No. 18ECS-LU-08FP also includes catchbasin and catchbasin inlet control device installation in various other locations (Bartel Drive, Brewster Crescent, Courage Avenue, Honeywood Road, Paradelle Crescent and Tonon Drive).

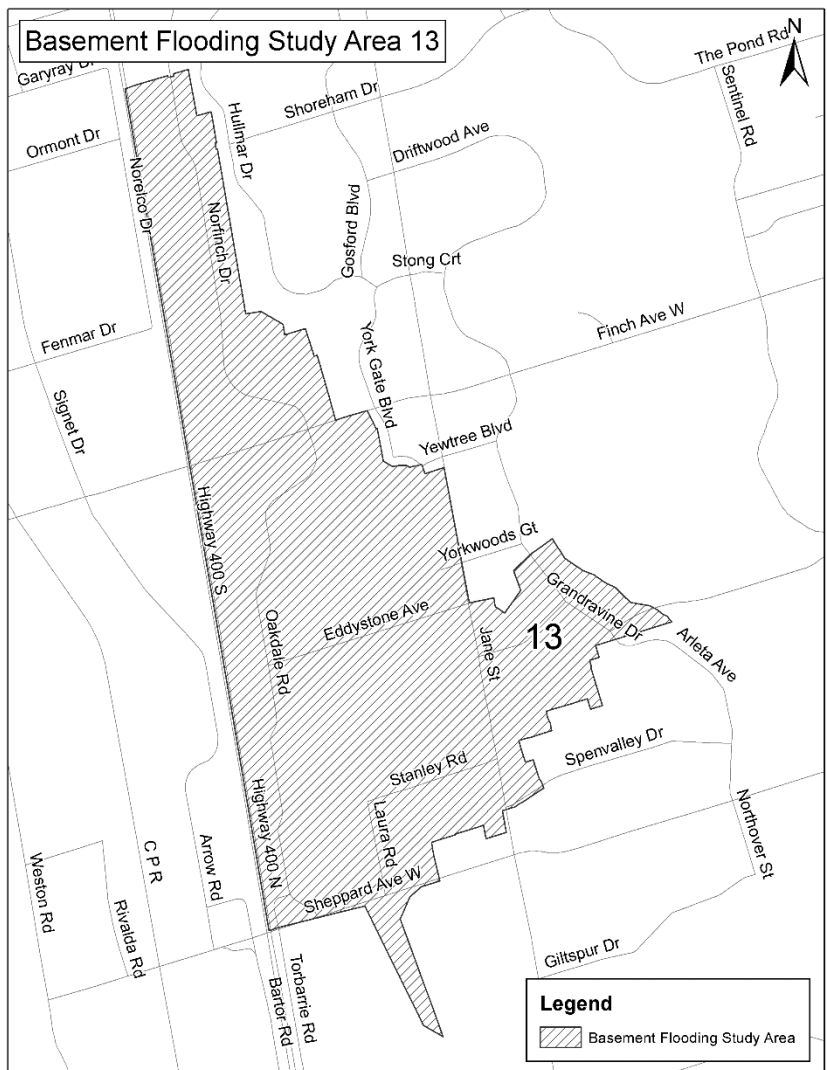


Figure 1: Map showing the location of Basement Flooding Protection Program Study Area 13

Contractors invited to bid on this Tender were prequalified through Request to Prequalify (RTP) No. 3907-15-7136, for which PMMD had notified successful respondents on April 11, 2016. As the engineering estimate for this Tender was \$29,507,752 net of HST recoveries, successful respondents for RTP Category C (projects with engineering estimates above \$18 million) were invited to bid on Tender Call No. 39-2018. These respondents included Memme Construction, Clearway Construction, KAPP Contracting Inc., Drainstar Contracting Ltd., Comer Group, Varcon Construction, Pachino Construction and Moretti Excavating Ltd.

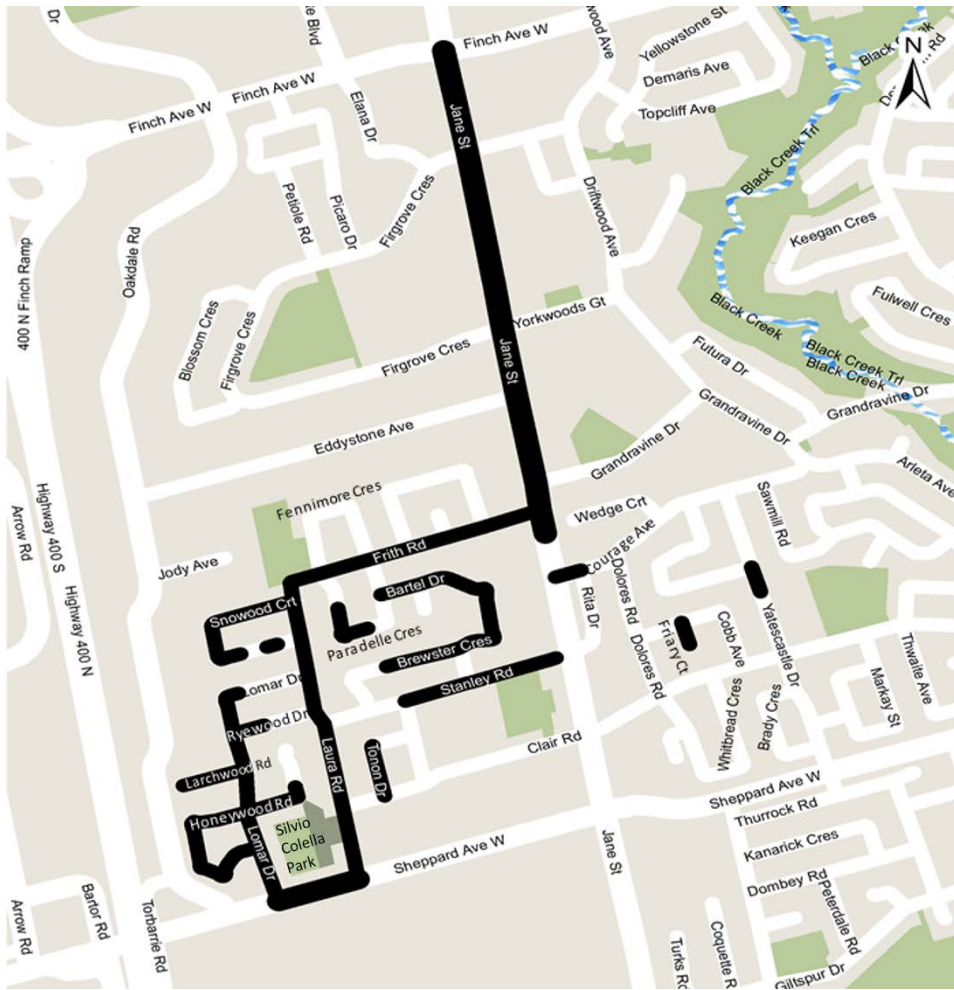


Figure 2: Map showing the locations of construction under Contract No. 18ECS-LU-08FP

Contract Award for Tender Call 39-2018, Contract No. 18ECS-LU-08FP

Tender Call No. 39-2018, Contract No. 18ECS-LU-08FP, for storm sewer, sanitary sewer and watermain construction in the area bounded by Sheppard Avenue West, Finch Avenue West, Highway 400 and Jane Street, was issued by the Purchasing and Materials Management Division (PMMD) and was advertised on the City's website on March 26, 2018.

PMMD, at its public opening held on May 3, 2018, opened the Tenders listed in Table 3.

The submissions received from the five (5) bidders that responded to Tender Call 39-2018, Contract No. 18ECS-LU-08FP, were reviewed and evaluated by staff from PMMD and Engineering and Construction Services and were found to be in conformance with the Tender requirements.

Table 3: Bidders and Bid Prices for Tender Call No. 39-2018

Bidders	Bid Price including HST
Varcon Construction Corp.	\$29,774,649
Moretti Excavation Limited	\$34,239,676*
Memme Excavation Company	\$37,894,653
Comer Group Limited	\$39,919,048*
Drainstar Contracting Limited	\$37,037,775**

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

***The Bid was found non-compliant with the requirements of the Tender.*

Engineering and Construction Services staff compared the bids to the engineering estimate of \$32,767,059 including all taxes and charges. The bid price of the recommended bidder in the amount of \$29,774,649 including all taxes and charges is approximately nine (9) percent lower than the engineering estimate.

The Fair Wage Office has reported that the recommended Bidder has indicated they have reviewed and understand the Fair Wage Policy and Labour Trades requirements and the recommended Bidder has agreed to comply fully.

The Tender submission from Varcon Construction Corp. for Tender Call 39-2018, Contract No. 18ECS-LU-08FP, includes their agreement to complete the works within a time frame of 469 working days from the date of the issuance of the written Order to Commence.

Background for Tender Call No. 40-2018, Contract No. 18ECS-LU-09FP

Study Area 18 of the Basement Flooding Protection Program (BFPP), as shown in Figure 3, is roughly bounded by Lawrence Avenue West to the south, Wilson Avenue to the north, Allen Road to the west and Avenue Road to the east. The Class Environmental Assessment (EA) for BFPP Study Area 18 was approved in 2014.

The recommended solution to provide protection against basement flooding includes projects on many streets within Study Area 18. Projects that met the Council-adopted criteria for prioritizing sewer improvements, as well as other state of good repair projects, are included in Contract No. 18ECS-LU-09FP. The locations of these projects, shown in Figure 4, are as follows:

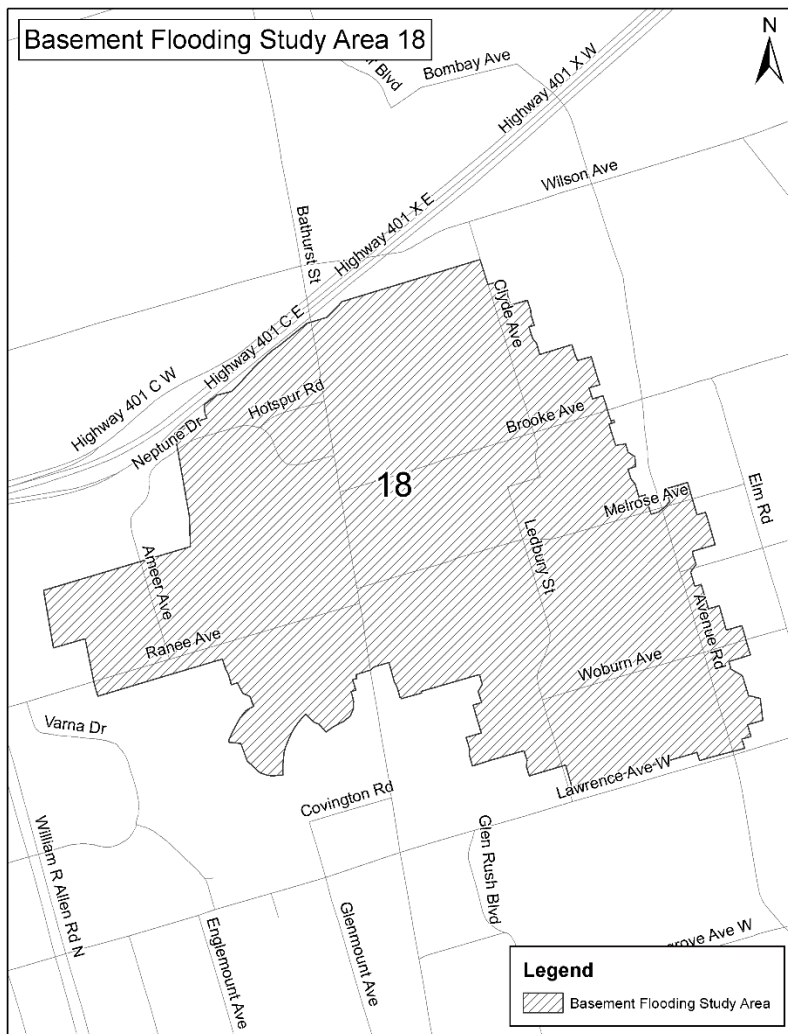


Figure 3: Map showing the location of Basement Flooding Protection Program Study Area 18

- Ameer Avenue (from Sultana Avenue to Regina Avenue): storm sewer replacement
- Barse Street (north of Deloraine Avenue): storm sewer replacement
- Baycrest Avenue (from Ameer Avenue to Khedive Avenue): storm sewer replacement
- Brooke Avenue (from Bathurst Avenue to Falkirk Street): storm sewer and sanitary sewer replacement
- Dunblaine Avenue (from Bathurst Avenue to Clyde Avenue): storm sewer and sanitary sewer replacement
- Glengarry Avenue (from Bathurst Street to Avenue Road): storm sewer and watermain replacement
- Prince Charles Drive (from Roberta Drive to Bathurst Street): sanitary sewer replacement
- Sultana Avenue (from Ameer Avenue to Bathurst Street): storm sewer replacement

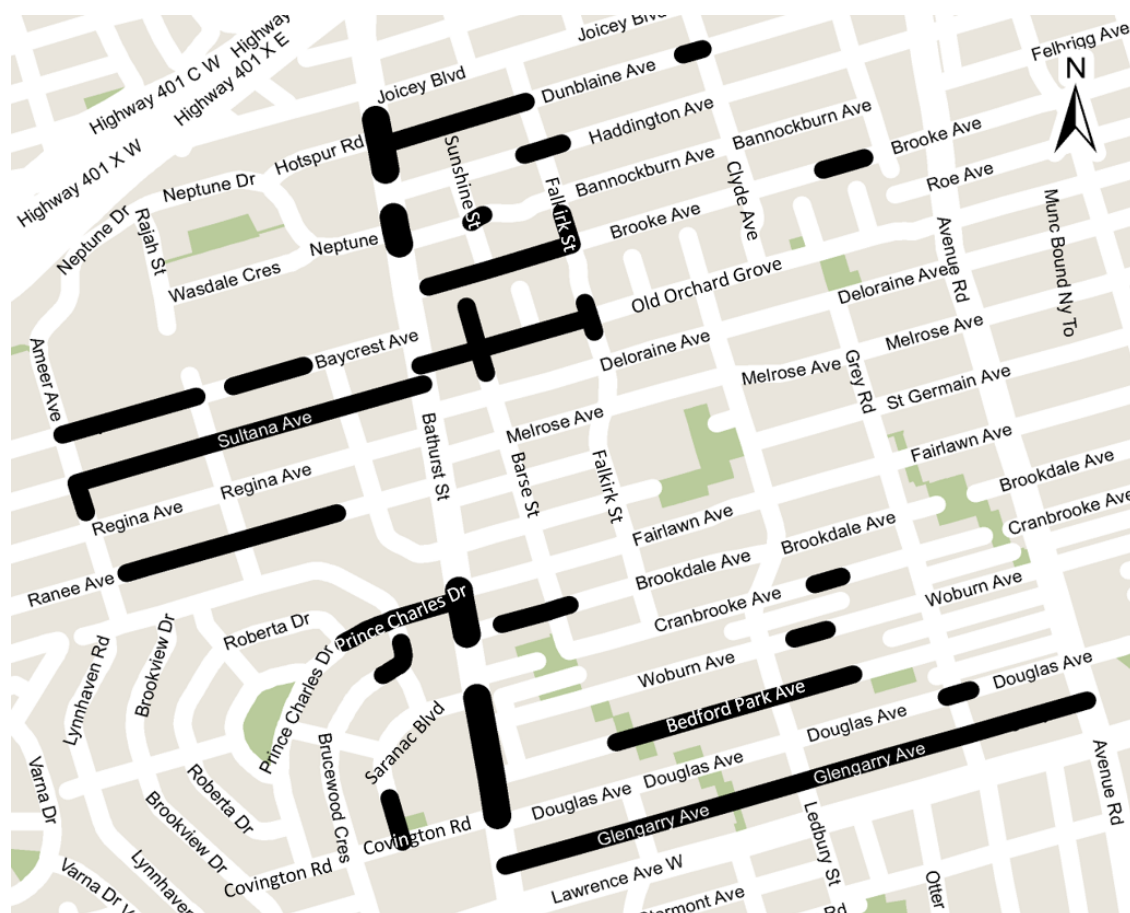


Figure 4: Map showing the locations of construction under Contract No. 18ECS-LU-09FP

Contract No. 18ECS-LU-09FP also includes catchbasin and catchbasin inlet control device installation in various other locations (Bannockburn Avenue, Bathurst Street, Bedford Park Avenue, Brookdale Avenue, Brooke Avenue, Brucewood Crescent, Cranbrooke Avenue, Douglas Avenue, Falkirk Street, Haddington Avenue, Old Orchard Grove, Ranee Avenue, Saranac Boulevard and Woburn Avenue).

Contractors invited to bid on this Tender were prequalified through Request to Prequalify (RTP) No. 3907-15-7136, for which PMMD had notified successful respondents on April 11, 2016. As the Engineering Estimate for this Tender was \$17,855,670 net of HST recoveries, successful respondents for RTP Category B (projects with Engineering Estimates between \$6 million and \$18 million) and Category C (projects with Engineering Estimates above \$18 million) were invited to bid on Tender Call No. 40-2018. These respondents included Timbel Limited, Lancorp Construction Co. Ltd., Trisan Construction, Memme Construction, Clearway Construction, KAPP Contracting Inc., Drainstar Contracting Ltd., Comer Group, Varcon Construction, Pachino Construction and Moretti Excavating Ltd.

Contract Award for Tender Call 40-2018, Contract No. 18ECS-LU-09FP

Tender Call 40-2018, Contract No. 18ECS-LU-09FP, for storm sewer, sanitary sewer and watermain construction in the area bounded by Lawrence Avenue West, Wilson Avenue, Allen Road and Avenue Road, was issued by the Purchasing and Materials Management Division (PMMD) and was advertised on the City's website on March 20, 2018.

PMMD, at its Public Opening held on April 27, 2018, opened the Tenders listed in Table 4.

Table 4: Bidders and Bid Prices for Tender Call No. 40-2018

Bidders	Bid Price including HST
Trisan Construction	\$22,858,385
Comer Group Limited	\$24,373,501
Memme Construction	\$24,571,650**
Moretti Excavating Limited	\$24,962,266
Timbel Limited	\$27,180,225*
Drainstar Contracting Ltd.	\$27,529,747*
Lancorp Construction Co. Ltd.	\$29,802,866*
Pachino Construction Co. Ltd.	\$37,064,947

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

**Bidder was found non-compliant with the requirements of the Tender.

The submissions received from the eight (8) bidders that responded to Tender Call 40-2018, Contract No. 18ECS-LU-09FP, were reviewed and evaluated by staff from PMMD and Engineering and Construction Services and seven (7) were found to be in conformance with the Tender requirements.

Engineering and Construction Services staff compared the bids to the engineering estimate of \$19,827,935 including all taxes and charges. The bid price of the recommended bidder in the amount of \$22,858,385 including all taxes and charges is approximately 15% higher than the engineering estimate.

The Fair Wage Office has reported that the recommended Bidder has indicated they have reviewed and understand the Fair Wage Policy and Labour Trades requirements and the recommended Bidder has agreed to comply fully.

The Tender submission from Trisan Construction for Tender Call 40-2018, Contract No. 18ECS-LU-09FP, includes their agreement to complete the works within a time frame of 330 working days from the date of the issuance of the written Order to Commence.

CONTACT

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SIGNATURE

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