



REPORT FOR ACTION

Amendment to Blanket Contract No. 47021220 for Hydraulic Flushing, Cleaning, and Closed Circuit Television Inspection of Both Service Lateral Drains and Main-line Sewers with Pipetek Infrastructure Services Inc.

Date: August 20, 2019
To: Infrastructure and Environment Committee
From: General Manager, Toronto Water and the Chief Purchasing Officer
Wards: All

SUMMARY

The purpose of this report is to request authority to amend Contract Number 47021220 issued to Pipetek Infrastructure Services Inc. for additional professional services associated with CCTV services in various locations, city wide within all wards of the City, in the amount of \$900,000 net of all taxes and charges (\$915,840 net of HST Recoveries).

RECOMMENDATIONS

The General Manager of Toronto Water and the Chief Purchasing Officer recommend that:

1. The Infrastructure and Environment Committee in accordance with Section 71-11.1.C of the City of Toronto Municipal Code Chapter 71 (Financial Control By-Law), grant authority to amend Blanket Contract No. 47021220 with Pipetek Infrastructure Services Inc. for the non-exclusive provision of hydraulic flushing, cleaning, and closed circuit television inspection of both service lateral drains and main-line sewers in various locations, city-wide, within all districts of the City of Toronto, by an additional amount of \$900,00 net of all taxes and charges (\$915,840 net of HST Recoveries), revising the current contract value from \$2,631,698 net of all taxes and charges (\$2,678,016 net of HST recoveries) to \$3,531,698 net of all taxes and charges (\$3,593,856 net of HST recoveries).

FINANCIAL IMPACT

Contract Amendment 47021220 – Pipetek Infrastructure Services Inc.

The contract amendment request included in this report will increase the total contract value by \$900,000 net of all taxes and charges (\$915,840 net of HST Recoveries).

Upon approval of the Budget Adjustment at the October 2nd and 3rd, 2019 Council Meeting, funding for the contract amendment is available in the Toronto Water 2019 Approved Capital Budget and 2020-2028 Approved Capital Plan for the Hydraulic Flushing, Cleaning, and Closed Circuit Television Inspection of Both Service Lateral Drains and Main-line Sewer project. Funding details are provided in the table below (net of HST recoveries):

Table 1: Financial Impact

WBS Element	2019 Net of HST recoveries
CWW465-03 (CCTV Inspection)	\$915,840

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

DECISION HISTORY

On January 3, 2018, by authority of Bid Committee, Request for Quotation (RFQ) 3204-17-7331 was awarded for Hydraulic Flushing, Cleaning and Closed Circuit Television Inspection of Service Lateral Drains, Mainline Sewers and Maintenance Holes in Various Locations. The contract was issued to cover the period from January 3, 2018 to December 31, 2018 with two (2) additional twelve (12) month option periods. The following are the links to the Bid Committee approvals for the two affected contracts.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.BA57.3>

COMMENTS

The contract provides CCTV services on-demand and was based on estimates using the number of CCTV requests generated in prior years. Below is a summary of the estimated and actual CCTV request volumes processed and CCTV requests projected to the contract end December 31, 2019:

Contract	(a) Estimated CCTV Requests in RFQ	(b) Actual Site CCTV Requests YTD	(c) Estimated CCTV Requests for the Duration of the Contract	(d) Total Estimated CCTV Requests (b)+(c)	(e) Additional CCTV Requests under Current Contract (d)-(a)
47021220	405	435	315	750	345 (85% increase)

There has been a higher than anticipated demand for this service, resulting in the need for a purchase order amendment of \$900,000. This additional funding is required in order to continue providing Toronto Water construction yards, as well as other groups such as Environmental Monitoring and Protection with sewer cleaning and CCTV services for the remaining duration of this RFQ and avoid any service interruptions.. Toronto Water has put in place a second contract for planned CCTV services to work alongside this contract for on-demand and unplanned CCTV services.

Contract Amendments

Previous amendments to the existing contract have been made to ensure continuity of services for the duration of the contract on the basis of additional demand beyond what was forecasted.

- Amendment No. 1 processed on September 5, 2018 to increase the overall value by \$100,000 from \$1,063,985 to \$1,163,985.00 net of all taxes and charges in order to maintain the existing level of services until December 31, 2018.
- Amendment No. 2 processed on October 11, 2018 to increase the overall value by \$375,000 from \$1,163,985 to \$1,538,985 net of all taxes and charges in order to maintain the existing level of services until December 31, 2018.

CONTACT

Antonio Longo, Manager, Contract Services, Toronto Water, Tel: 416-392-0972, Email: Antonio.Longo@toronto.ca

Leanne Dacosta, Acting Manager, Professional Services, Purchasing & Materials Management, Tel: 416-397-4801, Email: Leanne.Dacosta@toronto.ca

SIGNATURE

Lou Di Gironimo
General Manager, Toronto Water

Michael Pacholok
Chief Purchasing Officer