



REPORT FOR ACTION

Award of Contract No. 20ECS-LU-02FP to Memme Excavation Company Limited for Construction of Sewer Upgrades for Basement Flooding Protection Program Study Area 22

Date: September 22, 2020

To: Infrastructure and Environment Committee

From: Chief Engineer and Executive Director, Engineering and Construction Services and Chief Procurement Officer, Purchasing and Materials Management

Wards: 16

SUMMARY

The purpose of this report is to advise of the results of Ariba Document Number 2418616021, Contract Number 20ECS-LU-02FP, for the construction of storm and sanitary sewers, watermains and other related improvements in Basement Flooding Protection Program Study Area 22, which is bounded by Lawrence Avenue East, Eglinton Avenue East, the CN railway and Droxford Avenue and request authority to award the contract to Memme Excavation Company Limited, in the amount of \$24,103,194 net of all applicable taxes and charges (\$24,527,411 net of HST recoveries).

RECOMMENDATIONS

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

1. The Infrastructure and Environment Committee, in accordance with Section 195-8.4 of Toronto Municipal Code Chapter 195 (Purchasing By-Law), grant authority to award Contract No. 20ECS-LU-02FP, Ariba Document No. 2418616021, for the construction of storm and sanitary sewers, watermains and other related improvements in the area bounded by Lawrence Avenue East, Eglinton Avenue East, the CN railway and Droxford Avenue, in the amount of \$24,103,194 net of all applicable taxes and charges (\$24,527,411 net of HST recoveries) to Memme Excavation Company Limited, having submitted the lowest compliant bid and meeting the specifications in conformance with the Request for Tenders requirements.

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FINANCIAL IMPACT

The total value of the contract award for Ariba Document No. 2418616021, Contract No. 20ECS-LU-02FP, for Basement Flooding Protection Program Study Area 22, is \$27,236,610 including HST and all applicable charges. The total cost to the City is \$24,527,411 net of HST recoveries.

Funding is included in the 2020 Approved Capital Budget and 2021-2029 Approved Capital Plans for Toronto Water and Transportation Services. Funding is also available in the 2020 Approved Operating Budget for Transportation Services. Additional funding will be requested in the 2021-24 Operating Budget Submissions for Transportation Services. Additional funding details are provided in Table 1.

Table 1: Financial Impact Summary of Recommended Contract

WBS Element & Description	2020	2021	2022	2023	Total (Net of HST Recoveries)
CWW421-17-16 Basement Flooding Relief - Group 4	\$0.00	\$10,028,520	\$10,028,520	\$2,954,947	\$23,011,987
CPW542-25-35 District Watermain Replacement - 2019	\$0.00	\$339,151	\$339,151	\$114,438	\$792,740
CPW544-21-52 2019 Water Service Replacement - SOGR	\$0.00	\$283,485	\$283,485	\$68,223	\$635,192
CTP315-07-400 Local Road Rehabilitation	\$1,201	\$24,029	\$34,842	\$0.00	\$60,072
CTP315-09-386 Major SOGR Pooled Contingency	\$0.00	\$0.00	\$6,398	\$0.00	\$6,398
TS6040 / GL4503 Contract Development, Delivery & Inspections	\$420	\$8,409	\$12,193	\$0.00	\$21,022
Total (Net of HST Recoveries)	\$1,621	\$10,683,594	\$10,704,589	\$3,137,608	\$24,527,411

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

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DECISION HISTORY

At its meetings of September 24, 2008 and September 21, 2011, City Council adopted criteria to prioritize and sequence recommended Basement Flooding Protection Program projects that are identified through completed studies to protect the greatest number of properties as soon as possible, within approved budgets, as appropriate funding opportunities are available and in coordination with other capital project and population growth needs in the area. The Council-adopted criteria and the corresponding staff reports can be found at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2008.EX23.16>

and

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

At its meeting of December 17 and 18, 2019, City Council adopted the 2020 Staff Recommended Capital Budget and the 2021-2029 Staff Recommended Capital Plan for Toronto Water. In support, a briefing note titled "2020 Capital Budget Briefing Note - Basement Flooding Protection Program - Program Status Update and Project List: 2020 to 2024" contains the updated planned schedule for engineering design and construction of infrastructure upgrades supporting Toronto Water's Basement Flooding Protection Program, including the Study Area 22 Project. The Council-adopted item and the briefing note can be found at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.EX11.2>

and,

<https://www.toronto.ca/legdocs/mmis/2019/ex/bgrd/backgroundfile-140576.pdf>

COMMENTS

There are 67 Basement Flooding Protection Program (BFPP) Study Areas across the entire City. Study Area 22 of the BFPP is bounded by Lawrence Avenue East to the north, Eglinton Avenue East to the south, the CN railway to the west and Droxford Avenue (east of Pharmacy Avenue) to the east, as shown in Attachment 1.

The Class Environmental Assessment (EA) for Study Area 22 was approved in 2014. To provide protection against basement flooding, the recommended solution includes projects on many streets within Study Area 22. Projects that met the Council-adopted criteria for prioritizing sewer improvements, as well as other coordinated state of good repair projects, proceeded to engineering design and were included in two separate construction contracts for implementation, based on location, design complexity, hydraulic connectivity and other delivery factors. This is the first of the two contracts, covering the area in the north portion of Study Area 22 (Assignments 22-01, 22-02, 22-10, 22-15, 22-17, 22-18, 22-21, 22-22), bounded by Lawrence Avenue East, the Don River East Branch, the CN railway and Victoria Park Avenue. A second contract for the southern portion of Study Area 22 (Assignment 22-07) bounded by the Don River East Branch, Eglinton Avenue East, the CN railway and Victoria Park Avenue, is currently scheduled to be tendered in the fourth quarter of 2021. The locations of projects

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associated with this first contract are presented in Attachment 1. These projects include storm sewer replacements, sanitary sewer replacements, watermain replacements, new bioswales, new catchbasins and catchbasin modifications and this work is listed by street name in Attachment 2.

Award for Request for Tenders (RFT) Ariba Doc No. 2418616021, Contract No. 20ECS-LU-02FP

RFT Ariba Document No. 2418616021, Contract No. 20ECS-LU-02FP, for Basement Flooding Protection Program Phase 4 Study Area 22, was issued by the Purchasing and Materials Management Division (PMMD) and was advertised on both the City's and Ariba Discovery websites on June 16, 2020.

Ten (10) bids were received by PMMD by the July 24, 2020, closing as listed in Table 2:

Table 2: Suppliers and Bid Prices for Ariba Doc. No. 2418616021

Supplier	Bid Price including HST*
Memme Excavation Company Limited	\$23,684,008
Dom-Meridian Construction Ltd.	\$24,806,183
Clearway Construction Inc.	\$26,600,611
KAPP Infrastructure Inc.	\$27,040,900
Varcon Construction Corporation	\$27,377,703
GFL Infrastructure Group Inc.	\$29,079,364
EBC Inc.	\$30,142,750
614128 Ontario Ltd.	\$30,497,943
Comer Group Limited	\$40,083,067
Drainstar Contracting Ltd.	\$41,651,577

* Pursuant to the Request for Tenders document the contract award price includes contingency. Bid prices do not include contingency.

The bids were reviewed and evaluated by staff from PMMD and Engineering and Construction Services and all ten (10) bids were found to be in conformance with the Tender Call requirements. The recommended supplier for Contract No. 20ECS-LU-02FP is Memme Excavation Company Limited.

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Engineering and Construction Services staff compared the bids to the engineering estimate of \$35,699,905 including HST and all applicable charges. The bid price for the recommended supplier in the amount of \$27,236,610 including HST and all applicable charges is lower than the engineering estimate by approximately twenty four (24) percent.

The Fair Wage Office has reported that the recommended Bidder has indicated that 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 Memme Excavation Company Limited for Contract No. 20ECS-LU-02FP, Ariba Document No. 2418616021 includes their agreement to complete the works within a time frame of 520 working days from the date of the issuance of the written Order to Commence.

CONTACT

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SIGNATURE

Michael D'Andrea, M.E.Sc., P.Eng.
Chief Engineer and Executive Director, Engineering and Construction Services

Michael Pacholok, JD
Chief Procurement Officer, Purchasing and Materials Management Division

ATTACHMENTS

Attachment 1: Map showing the location of Study Area 22 of the BFPP and the locations of construction under contract 20ECS-LU-02FP.

Attachment 2: Project scope of work and locations list.

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