



BID AWARD PANEL CONTRACT AWARD

Award of Ariba Document Number 3585949674 to OJCR Construction Ltd. for Service Area A for General Sewer and Watermain Construction Related Activities for Residential Service Connections (Part A) and for New Industrial, Commercial and Institutional (Part B) for Toronto Water

Date: March 09, 2023
To: Bid Award Panel
From: Chief Procurement Officer
Wards: 4, 9, 11, 12

RECOMMENDATIONS

The Chief Procurement Officer recommends that the Bid Award Panel grant authority to award the following contract:

Solicitation Number:

Negotiated Request for Proposal, Ariba Document Number 3585949674, Service Area A, Contract Number 22TW-DC-303OCS (Part A) and Contract Number 22TW-DC-308OCS (Part B)

Description:

General Sewer and Watermain Construction Related Activities for Residential Water & Sewer Service Connections (Part A, Contract Number 22TW-DC-303OCS) and New Industrial, Commercial, and Institutional (ICI) (Part B, Contract Number 22TW-DC-308OCS) for Toronto and East York Districts for Service Area A Wards: 4, 9, 11 and 12 from date of award to February 29, 2024, with the option to extend the Contract for two (2) additional one (1) year period at the sole discretion of the City and subject to budget approval.

Should the option period(s) be exercised, the General Manager of Toronto Water will request the Chief Procurement Officer to process the renewal under the same terms and conditions.

Recommended Supplier:

OJCR Construction Ltd.

Contract Award Value:

Part A – OJCR Construction Ltd.

\$2,148,646 net of all applicable taxes and charges

\$2,427,970 including all applicable taxes and charges

\$2,186,462 net of HST recoveries

Contract is expected to start on the date of award to February 29, 2024.

Option Period 1 (March 1, 2024 to February 28, 2025)

\$2,213,105 net of all applicable taxes and charges

\$2,500,809 including all applicable taxes and charges

\$2,252,056 net of HST recoveries

Option Period 2 (March 1, 2025 to February 28, 2026)

\$2,279,498 net of all applicable taxes and charges

\$2,575,833 including all applicable taxes and charges

\$2,319,618 net of HST recoveries

The total contract award for OJCR Construction Ltd. including all option periods is \$6,641,250 net of all applicable taxes and charges and \$7,504,612 including all applicable taxes and charges. **The total potential cost to the City including the option period for OJCR Construction Ltd. is \$6,758,136 net of HST recoveries.**

Part B – OJCR Construction Ltd.

\$3,505,250 net of all applicable taxes and charges

\$3,960,932 including all applicable taxes and charges

\$3,566,942 net of HST recoveries

Contract is expected to start on the date of award to February 29, 2024.

Option Period 1 (March 1, 2024 to February 28, 2025)

\$3,610,407 net of all applicable taxes and charges

\$4,079,760 including all applicable taxes and charges

\$3,673,951 net of HST recoveries

Option Period 2 (March 1, 2025 to February 28, 2026)

\$3,718,720 net of all applicable taxes and charges

\$4,202,153 including all applicable taxes and charges

\$3,784,169 net of HST recoveries

The total contract award for OJCR Construction Ltd. including all option periods is \$10,834,377 net of all applicable taxes and charges and \$12,242,846 including all applicable taxes and charges. **The total potential cost to the City including the option period for OJCR Construction Ltd. is \$11,025,062 net of HST recoveries.**

The total potential contract award including all option period is \$17,475,627 net of all taxes and charges and \$19,747,459 including all applicable taxes and charges. **The total potential cost to the City including the option period for both parts is \$17,783,198 net of HST recoveries.**

The above cost calculations reflect an estimated three (3) percent Consumer Price Index (CPI) increase applied annually to the yearly cost after the initial year.

FINANCIAL IMPACT

The total potential contract award value identified in this report including all option periods is \$19,747,459 including all applicable taxes and charges. The total potential cost to the City is \$17,783,198 net of HST recoveries.

The engineering estimate for this project is \$6,590,547 (Part A) and \$11,306,698 (Part B) net of all taxes and charges. The total engineering estimate is \$17,897,245 net of all taxes and charges.

Funding for the initial contract period is available in the 2023-2032 Approved Capital Budget and Plan for Toronto Water. Funding the first optional period, should it be exercised, will be included in the 2024-2033 Capital Budget and Plan Submission for Toronto Water. Funding the second optional period, should it be exercised, will be included in the 2025-2034 Capital Budget and Plan Submission for Toronto Water. Funding details are summarized in Table 1 as follows:

Table 1: Financial Impact Summary of Recommended Contract (net of HST Recoveries)

Cost Centre / WBS Element Description	Date of award to December 31, 2023	January 1, 2024 to February 29, 2024	Option Period 1: March 1, 2024 to February 28, 2025	Option Period 2: March 1, 2025 to February 28, 2026	Total (net of HST Recoveries)
CPW600-02-19 New Service Connections – Site Servicing	\$1,822,052	\$364,410	\$2,252,056	\$2,319,618	\$6,758,136
CPW600-02-21 New Service Connections – Site Servicing	\$2,972,452	\$594,490	\$3,673,951	\$3,784,169	\$11,025,062
Total (Net of HST Recoveries)	\$4,794,504	\$958,900	\$5,926,007	\$6,103,787	\$17,783,198

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

SOLICITATION SUMMARY

Solicitation Issued: July 18, 2022
Number of Addenda Issued: Two (2)
Number of Bids: Six (6)

Solicitation Closed: August 17, 2022

Table 2: Summary of Bids Received

Supplier Name
614128 Ontario Ltd. o/a Trisan Construction
Clearway Construction Inc.
N.S.J. Waterworx Group Ltd.
OJCR Construction Ltd.*
Rabcon Contractors Ltd.
Utility Force Construction Inc.

*Pursuant to the Request for Proposal document, the contract award value includes contingency.

Range of Scores:

44-100 points based on Price Proposal value.

To score the Price Proposal the City used the following formula:

Proponent's score (PS) is the lowest price (LP) divided by proponent's price (PP) times 100, i.e., $PS = LP / PP \times 100$.

The City used the two-envelope system for this nRFP. Prior to opening the Price Proposals all Proponents had been evaluated based on their relevant experience, past performance and assigned personnel capability to deliver the work. Those who passed the minimum score of 70 out of 100 were admitted the Price Proposal evaluation stage.

DIVISION CONTACTS

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COMMENTS

For the recommended contract award, the following requirements have been met:

a. The firm recommended for award is the lowest Supplier meeting specifications or to the highest scoring Supplier based on the evaluation criteria included in the Solicitation and meeting the requirements of the solicitation;

b. the appropriate Division has reviewed submissions and found the price to be reasonable, within available budget and concurs with the recommendation;

c. the total contract value is less than \$20 million dollars (excluding applicable taxes) and the contract term is:

1. for a contract funded by the operating budget, 5 years or less including any option years; or

2. for a contract funded by the capital budget, within the projected term of the capital funding for the project as set out in the capital budget,

being within the authority of the Bid Award Panel;

d. the Solicitation document was advertised on the City's internet website and bids or proposals were submitted electronically in Ariba; and

e. the Fair Wage Office confirms the recommended firm understands the Fair Wage Policy and Labour Trades requirements and has agreed to comply fully.

Additional details and information for the above Solicitations are on the file in the Purchasing and Materials Management Division.

SIGNATURE

Geneviève Sharkey
Chief Procurement Officer
Purchasing & Materials Management Division