

Award of Doc4241423110 to M.E. Andrews and Associates Limited for Professional Services for Local and Trunk Sewer Asset Condition Assessment

Date: May 10, 2024

To: General Government Committee

From: General Manager, Toronto Water and Chief Procurement Officer

Wards: All

SUMMARY

The purpose of this report is to advise of the results of Request for Proposal Doc4241423110, Contract Number CWD-23-12, for Professional Services for Local and Trunk Sewer Asset Condition Assessment, and to request the authority to enter into an agreement with M.E. Andrews and Associates Limited, in the amount of \$80,522,567 net of all applicable taxes and charges (\$81,939,764 net of HST recoveries).

RECOMMENDATIONS

The General Manager, Toronto Water and Chief Procurement Officer recommend that:

1. The General Government Committee, in accordance with Section 195-8.4 of Toronto Municipal Code Chapter 195 (Purchasing By-Law), grant authority to the General Manager, Toronto Water to enter into an agreement with M.E. Andrews and Associates Limited, the highest scoring Supplier based on the evaluation criteria included in the Solicitation and meeting the requirements of Doc4241423110, to provide Professional Services for Local and Trunk Sewer Asset Condition Assessment in the amount of \$80,522,567 net of all applicable taxes and charges (\$81,939,764 net of HST recoveries). all in accordance with the terms and conditions as set out in the Request for Proposal and any other terms and conditions satisfactory to the General Manager Toronto Water, and in a form satisfactory to the City Solicitor.

FINANCIAL IMPACT

The total potential contract award in this report, including all option years, is \$80,522,567 net of all applicable taxes and charges. The total potential cost to the City, including all option years, is \$81,939,764 net of HST recoveries.

Funding for the initial contract period is available under account CWW452-10-01- Sewer System Inspection - Phase 3 in the 2024 Approved Capital Budget and 2025-2033 Approved Capital Plan for Toronto Water. Should the City choose to exercise its option(s) to renew for up to an additional three (3) separate one (1) year periods, then the appropriate additional funding will be included in future year Capital Budget Submissions for Toronto Water. Funding details are summarized in table below (net of HST recoveries).

The cost calculations for the option years reflect an annual estimated three (3) percent inflation increase commencing 2027.

Year	Base Award (2 Years)	Option Year 1	Option Year 2	Option Year 3	Forecasted Expenditures
2024	\$9,000,000				\$9,000,000
2025	\$15,000,000				\$15,000,000
2026	\$7,614,838	\$7,385,162			\$15,000,000
2027		\$8,896,480	\$6,103,520		\$15,000,000
2028			\$10,666,571	\$4,333,429	\$15,000,000
2029				\$12,939,764	\$12,939,765
Total	\$ 31,614,838	\$16,281,642	\$16,770,091	\$ 17,273,193	\$ 81,939,764

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

DECISION HISTORY

At its meeting on April 2, 2019 the Infrastructure and Environment Committee authorized the General Manager, Toronto Water to enter into an agreement with M. E. Andrews and Associates Limited, being the highest scoring Supplier and meeting the requirements of Request for Proposal Number 9155-18-7147 for Local and Trunk Sewer Asset Condition Assessment to M. E. Andrews and Associates Limited in the amount of \$23,985,703 net of all applicable taxes and charges (\$24,407,854.37 net of HST recoveries) from the date of award for a two-year period, with an option to renew for an additional three separate one-year periods at the sole discretion of the Executive Director, Engineering and Construction Services, based on the terms and conditions set up in the Request for Proposal for a total potential cost of \$62,166,466.84 net of HST (\$63,260,598.69 net of HST recoveries). The Infrastructure and Environment Committee decision can be found at:

[Agenda Item History - 2019.IE3.2 \(toronto.ca\)](#)

At its meeting on April 1, 2 and 3, 2014 City Council authorized the Executive Director, Engineering and Construction Services to enter into an agreement with M. E. Andrews

and Associates Limited, being the highest scoring proponent and meeting the requirements of Request for Proposal Number 9155-13-7232 for Local and Trunk Sewer Asset Condition Assessment to M. E. Andrews and Associates Limited in the amount of \$25,617,014.75 net of all applicable taxes and charges (\$26,067,874.21 net of HST recoveries) from the date of award for a two-year period, with an option to renew for an additional three separate one-year periods at the sole discretion of the Executive Director, Engineering and Construction Services, based on the terms and conditions set up in the Request for Proposal for a total potential cost of \$66,394,524.66 net of all applicable taxes and charges (\$67,563,068.29 net of HST recoveries). The Council decision can be found at:

[Agenda Item History - 2014.PW29.4 \(toronto.ca\)](#)

COMMENTS

Background

Conducting condition assessments on sewer infrastructure provides the City with numerous benefits. These include identifying and prioritizing maintenance needs for infrastructure integrity, implementing preventive measures to address potential issues early on, mitigating risks of sewer failures and associated hazards, optimizing asset management strategies, ensuring regulatory compliance, and informing data-driven decision-making processes for infrastructure investments and long-term planning.

Specialized, professional engineering services are required for the CCTV camera inspection of the City's sewer infrastructure. The results of these inspections establish and inform recommendations included in the development of Toronto Water's sewer infrastructure renewal capital works program.

Toronto Water's inventory of sewer infrastructure includes 3,730 km of sanitary sewers, 1,411 km of combined sewers, and 4,981 km of storm sewers. Additionally, there are 57,772 sanitary maintenance holes, 24,748 combined maintenance holes, and 76,331 stormwater maintenance holes. Toronto Water's 2024 Approved Capital Budget and 2025-2033 Capital Plan have assigned a total of \$144,000,000 to the Local and Trunk Sewer Asset Condition Assessment program.

The scope of work under this new Request for Proposal for the first two (2) years includes:

- a) Providing project management and sewer inspection services for an estimated 1,100 km of local sewers, 70 km of trunk sewers, and up to 26,000 maintenance holes.
- b) The coordinating, managing, reviewing, cleaning, inspecting, and all other work associated with the inspection and evaluation of maintenance holes and sewers.
- c) Interpretation and recommendation of inspection data, including loading data into databases and digitization of uncharted assets for sewer pipes.
- d) Interpretation and recommendation of inspection data, including loading data into databases and digitization of uncharted assets for maintenance holes.

e) Provision of condition assessment, renewal recommendations and cost estimates in accordance with all requirements for deliverables outlines in this Request for Proposal for the City's existing 200 km sewer pipe inspection videos.

Subject to satisfactory performance in the execution of this work and budget availability, the services noted above will continue on an annual basis for up to a maximum of three additional one-year terms.

Award of Request for Proposal Doc4241423110

A Request for Proposal Doc4241423110 was prepared by Toronto Water, in conjunction with the Purchasing and Materials Management Division, to provide professional engineering services to support delivery of the Local and Trunk Sewer Asset Condition Assessment.

The Request for Proposal was advertised on both the City's and Ariba Discovery websites on November 22, 2023 with a closing of January 22, 2024 and an issuance of four (4) addenda. the following two (2) Suppliers submitted proposals:

1. M. E. Andrews and Associates Limited
2. Capital Sewer Services Inc.*

*Supplier did not meet the minimum mandatory thresholds

The Request for Proposal was structured as a "two-envelope" submission model that included a detailed Technical Proposal (Envelope 1) and a separate sealed envelope with a Cost of Services proposal (Envelope 2). The selection process stipulated that envelopes containing the cost proposals would not be opened until the evaluation of the Technical Proposals had been completed.

A formal selection committee comprised of three (3) members from Toronto Water evaluated the Technical Proposals based on the criteria set out in the Request for Proposal. A maximum of 75 points were allocated for the Technical Proposal and 25 points for the Cost of Services. A minimum threshold technical score of 45 percent was required to proceed in having the Cost of Services envelope opened and evaluated.

Both suppliers complied with the mandatory submission requirements and their Technical Proposals were evaluated. Of the two (2) firms, the evaluation team found one (1) firm successfully passed the Technical Proposal requirements which allowed their cost of services envelope to be opened. The cost proposal score was added to the technical score resulting in the highest overall point score, pursuant to the terms of the Request for Proposal.

Toronto Water staff have compared the bid for the first two-year period to the estimated cost and found the price of \$31,068,041 net of all applicable taxes and charges to be lower than the City estimate of \$32,524,608 net of all applicable taxes and charges.

Should any of the optional renewal years be exercised by the City, all terms and conditions of the Agreement shall remain in effect and continue during the option

year(s), subject to a price adjustment in accordance with the annual Consumer Price Index (CPI) as determined per Statistics Canada, for a 12-month period. The total potential contract amounts reflected in the above table include an estimated 3 percent CPI increase for each Option Year.

On completion of the above process, the selection committee concluded that the proposal submitted by M.E. Andrews and Associates Limited met the requirements of the Request for Proposal and demonstrated an appropriate level of effort for the proposed project. The Supplier's scores and staff analysis of the evaluation results can be provided to Councillors in an in-camera presentation if requested by members of Council.

The Fair Wage Office has reported that the recommended bidder has indicated it has reviewed and understands the Fair Wage Policy and Labour Trades requirements and has agreed to comply fully with both.

Social Procurement

This contract was selected by Toronto Water, in consultation with the Purchasing and Materials Management Division and the Social Procurement working group, as a candidate for the further development of the Council-directed Social Procurement Policy. The Request for Proposal included an opportunity for the Suppliers to submit a proposal related to supplier diversity and workforce development.

M.E. Andrews and Associated Limited commit to providing business opportunities to diverse suppliers and social enterprises and have designated a community liaison officer. The community liaison officer will work proactively to anticipate and mitigate public impacts, recognize and create workforce development opportunities, and engage in social procurement activities.

M.E. Andrews and Associated Limited commit to meeting semi-annually with the designated City's representative to discuss the implementation, progress and continuous improvement of the M.E. Andrews and Associated Limited and workforce development plan. M.E. Andrews and Associated Limited will also participate in job fairs.

CONTACT

Richard Noehammer, P.Eng., Director Capital Planning & Implementation, Toronto Water, 416-397-7296, Richard.Noehammer@toronto.ca

Marie Reid, Manager, Infrastructure and Development Services, Purchasing Client Services, Purchasing and Materials Management, 416-397-5187, Marie.Reid@toronto.ca

SIGNATURE

Lou Di Gironimo,
General Manager Toronto Water

Genevieve Sharkey
Chief Procurement Officer