



Report to: General Committee

Meeting Date: April 20, 2020

SUBJECT: Award of Construction Tender 014-T-20 Bayview Glen North and Laureleaf Road Cast Iron Watermain Replacement

PREPARED BY: Prathapan Kumar, Senior Manager, Environmental Services, Ext. 2989
Flora Chan, Senior Buyer, Ext. 3189

RECOMMENDATION:

1. That the report entitled “Award of Construction Tender 014-T-20 Bayview Glen North and Laureleaf Road Cast Iron Watermain Replacement” be received; and,
2. That the contract for Tender 014-T-20 Bayview Glen North and Laureleaf Road Cast Iron Watermain Replacement be awarded to the lowest priced Bidder, Sam Rabito Construction Ltd. in the amount of \$5,656,644.04, inclusive of HST; and,
3. That a 3% contingency in the amount of \$169,699.32 inclusive of HST, be established to cover any additional construction costs and that authorization to approve expenditures of this contingency amount up to the specified limit be in accordance with the Expenditure Control Policy; and,
4. That the construction award in the amount of \$5,826,343.36 (\$5,656,644.04 + \$169,699.32) be funded from the capital project 053-6150-20257 “CI Watermain Replacement – Construction & CA” with budget available of \$5,447,381.00; and,
5. That the shortfall of \$378,962.36 be funded through Waterworks Stabilization/Capital Reserve; and further,
6. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

EXECUTIVE SUMMARY:

Not Applicable

PURPOSE:

The purpose of this report is to obtain Council approval to award the contract for the 2020 Cast Iron Watermain Replacement within the Bayview Glen North and Laureleaf Road neighbourhood.

BACKGROUND:

Watermain Replacement:

Watermain break records and assessments indicate that the cast iron pipes structural condition is close to the end of its lifecycle and need replacement at Ladyslipper Court, Multiflora Place, Poinsetta Drive, Wildrose Crescent, Hammock Crescent, Babcombe Drive, Laureleaf Road between Daffodil Ave and Steeles Ave.

A total of 4,067 metres of existing cast iron watermain have been identified for replacement.

Construction Tender

Due to the scope of the project, contractors were prequalified to ensure that they had the necessary qualifications, experience and resources to complete the work in accordance with the City's requirements and within the specified timelines. Prequalification 066-P-17 was issued in accordance with the Purchasing By-law 2017-8.

Pre-Qualification Information (066-P-17)

Prequalification closed on	January 26, 2017
Number of Contractors picking up the Pre-qualification document	34
Number of Contractors responding to the Pre-qualification	16
Number of Contractors Pre-qualified	9

Construction Tender Information (014-T-20)

Bids closed on	March 5, 2020
Number picking up the Bid document	8
Number responding to the Bid	5

Price Summary

Bidder	Bid Price (Incl. of HST)
Sam Rabito Construction Ltd.	\$5,656,644.04*
KAPP Infrastructure Inc.	\$7,247,103.31
Lancorp Construction Co Ltd.	\$7,795,261.25
Dom – Meridian Construction Ltd.	\$7,878,725.26
Robert B. Somerville Co. Limited	\$9,259,583.02

*Staff negotiated with Sam Rabito, the lowest priced bidder, a \$15,500.00 or 0.3% cost reduction from their original bid price (from \$5,672,416.84 to \$5,656,644.04), as allowed under the Purchasing By-Law, while still maintaining the same level of project deliverables.

OPTIONS/ DISCUSSION:Watermain Replacement

The existing cast iron watermain on Ladyslipper Court, Multiflora Place, Poinsetta Drive, Wildrose Crescent, Hammock Crescent, Babcombe Drive, Laureleaf Road between Daffodil Ave and Steeles Ave are close to the end of their life cycle.

The replacement of cast iron watermain is consistent with the City's strategy to upgrade aged and deficient watermain to improve supply capacity and reliability. Replacement of these old cast iron watermain will also offer improved reliability (less risk of breaks) as well as improved water quality and flows for domestic and fire demand. Based on experience, cast iron watermain are susceptible to internal and external corrosion as they age which leads to poor water quality and increased watermain breaks. The new watermain replacement material will be PVC pipe, which has a service life of 90 years and is superior as it is heat resistant, chemical resistant and non-corrosive.

Public Input

A Public Information Committee (PIC) meeting was held on March 12, 2020 to provide an update to the area residents and businesses, as well as to address any potential issues or concerns that the public may have on the proposed construction.

Traffic Management Plan

The objective of the traffic management plan is to limit the traffic within the construction zone (only local traffic will be allowed) and divert through traffic onto adjacent roadways.

Communications Plan

Staff will be providing regular updates to the affected stakeholders as well as providing early notification for any disruptions to driveway access or municipal services. The City's website will also be updated as required to provide up-to-date information on the status of the project.

Project Schedule:

- Mid May 2020 - Commencement of work
- December 18, 2020 - Completion of 80% work to base asphalt
- January to Spring 2021 - Winter Shutdown
- Spring 2021 to Summer 2021 - Complete remaining 20% work, top asphalt, restoration etc.

FINANCIAL CONSIDERATIONS

The following table summarizes the financial considerations for the project:

Budget allocation (CA and Construction)	\$5,729,700.00	053-6150-20257-005 "CI Watermain Replacement – Construction & CA"
Budget available for construction (A)	\$5,447,381.00	
Less: construction cost (B)	\$5,656,644.04	} Awarded to Sam Rabito Construction Ltd. (014-T-20)
Less: contingency (3%) (C)	\$ 169,699.32	
Total cost (D) = (B) + (C)	\$5,826,343.36	
Budget Shortfall (E) = (A) – (D)	(\$ 378,962.36)	

Note: Budget shortfall of \$378,962.36 is due to budget estimate that was based on unit rates for watermain replacement based on City's West Thornhill Flood Control Remediation projects completed over the past 3 years. These projects had a combined watermain, storm and road reconstruction under one bid. Since this contract was tendered as a standalone watermain project, the City did not receive the economies of scale as received in the past 3 years.

Operating Budget and Life Cycle Reserve Impact

The 2020 Waterworks Asset Life Cycle Reserve Study will be updated to reflect the current market rates. There is no incremental impact to the operating budget.

HUMAN RESOURCES CONSIDERATIONS

Not Applicable.

ALIGNMENT WITH STRATEGIC PRIORITIES:

The proposed watermain replacement program is aligned with City's goal to provide better quality services to the public and is consistent with the Building Markham's Future Together strategic priority on the "Environment" as it considers sustainability on the built environment.

BUSINESS UNITS CONSULTED AND AFFECTED:

Finance department has been consulted and their comments have been incorporated.

RECOMMENDED BY:

Phoebe Fu
Director of Environmental Services

Brenda Librecz
Commissioner, Community & Fire Services

ATTACHMENTS:

Attachment - Location Map