



Report to: General Committee

Meeting Date: December 10, 2018

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**SUBJECT:** Award of Contract 049-T-18 Rougecrest Sewage Pumping Station Upgrades

**PREPARED BY:** Vikas Thakur, Infrastructure Project Engineer Ext. 6210  
Flora Chan, Senior Buyer Ext. 3189

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**RECOMMENDATION:**

- 1) THAT the report entitled “Award of Contract 049-T-18 Rougecrest Sewage Pumping Station Upgrades” be received;
- 2) AND THAT the contract for Rougecrest Sewage Pumping Station Upgrades be awarded to the lowest priced bidder, Robert B. Somerville Co. Limited, in the total amount of \$360,683.23 inclusive of HST;
- 3) AND THAT a 10% contingency in the amount of \$36,068.32, 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;
- 4) AND THAT the award of \$396,751.56 (\$360,683.23+\$36,068.32) be funded from Capital Project 17218 “Rougecrest Pumping Station Upgrades” with available budget of \$350,400.00;
- 5) AND THAT the budget shortfall in the amount of \$46,351.56 (\$350,400.00-\$396,751.56) be funded from the Waterworks Stabilization/ Capital Reserve;
- 6) AND THAT Staff be authorized and directed to do all things necessary to give effect to this resolution.

**PURPOSE:**

The purpose of this report is to obtain Council’s approval to award the contract for Rougecrest Sewage Pumping Station Upgrades.

**BACKGROUND:**

Rougecrest Sewage Pumping Station (RC-SPS) is located south of Highway 7 and east of Markham Road, in front of House #28 on Rougecrest Drive. The pumping station receives sanitary drainage from Rougecrest Drive and part of Paradise Avenue.

A condition assessment carried out by a third party consultant on RC-SPS identified pumping station upgrade needs, due to the equipment reaching the end of life cycle. The equipment will be replaced/rehabilitated to meet current design standards.

Construction will commence in April 1, 2019, and be completed by October 31, 2019.

**BID INFORMATION:**

Bid closed on	Sep 28, 2018
Number picking up document	17
Number responding to bid	5

**PRICE SUMMARY:**

<b>Bidder</b>	<b>Bid Price*</b>
<b>Robert B. Somerville Co. Limited</b>	<b>\$381,035.23 **</b>
LCD Mechanical Inc.	\$384,791.19
Baseline Constructors Inc.	\$469,622.40
BGL Contractors Corp	\$576,140.70
Torbear Contracting Inc.	\$660,746.00

\*Bid price includes \$12,700.00 cash allowance for Power Supply Authority (Alectra Utilities) Work and Structural Repairs of the Wet well.

\*\* Robert B. Somerville Co. Limited (RBS Ltd.) original bid price for this contract exceeded the City's budget. As outlined in Section 17.2 of the City's *General Terms and Conditions*, "The City reserves the right, in its sole discretion, to negotiate with the lowest priced Supplier...in the event that the Bid prices submitted by the Suppliers exceed the City's budget..." Consequently, staff reviewed potential opportunities and entered into negotiations with RBS Ltd. to seek options to reduce the price, in order to better meet the City's approved budget. Through negotiations, Staff were able to reduce the price by \$20,352.00 (5.3%).

**FINANCIAL CONSIDERATIONS:**

The following table is a summary of the financial considerations for this report:

Recommended Bidder	Robert B. Somerville Co. Limited. (Lowest Priced Bidder)	
Budget Available	\$ 350,400.00	053-6150-17218-005 Rougecrest Pumping Station Upgrades
Less cost of award	\$ 360,683.23	Cost of Award (Inclusive of cash allowance)
	\$ 36,068.32	Contingency (10%)
	\$ 396,751.56	Total Award Inclusive of HST
Budget Remaining	(\$ 46,351.56)	*

\* The budget shortfall of \$46,351.56 will be funded from the Waterworks Stabilization/Capital Reserve. The shortfall was primarily due to additional costs for secondary mechanical and electrical components that were not included in the budget.

**OPERATING BUDGET AND LIFE CYCLE IMPACT:**

Currently staff is working on the Life Cycle Sufficiency Study for Wastewater assets and life cycle impact will be incorporated as part of the 2019 Life Cycle Reserve study update. There is no incremental operating budget impact.

**HUMAN RESOURCES CONSIDERATIONS:**

Not Applicable.

**ALIGNMENT WITH STRATEGIC PRIORITIES:**

The proposed pump station rehabilitation works is aligned with City’s goal to provide better quality services to the public and is in consistent with Building Markham’s Future together strategic priority on the ‘Growth management’ and “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:**

2018-12-04

2018-12-04

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X 

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Phoebe Fu  
Director, Environmental Services  
Signed by: cxa

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Brenda Librecz  
Commissioner, Community & Fire Services  
Signed by: cxa