



Report to: General Committee

Report Date: May 30, 2016

SUBJECT: Award of Contract 049-R-16: 2016 Sanitary Sewer System Rehabilitation and Upgrade Program

PREPARED BY: David Huynh, Infrastructure Project Engineer, Ext. 2400
Tony Casale, Senior Construction Buyer, Ext. 3190

RECOMMENDATIONS:

- 1) THAT the report entitled “Award of Contract 049-R-16 2016 Sanitary Sewer System Rehabilitation and Upgrade Program be received;
- 2) AND THAT Contract ‘A’ for Sanitary Sewer Spot Repairs, Cured in Place Pipe (“CIPP”) Lining & Manhole Repairs be awarded to the highest ranked and lowest priced bidder D.M. Robichaud Associates Ltd., in the total amount of \$196,761.51 inclusive of HST;
- 3) AND THAT Contract ‘B’ for Sanitary Sewer Testing and Grouting / Lateral Joint Sealing be awarded to the highest ranked and lowest priced bidder D.M. Robichaud Associates Ltd., in the total amount of \$380,034.93, inclusive of HST;
- 4) AND THAT a contingency in the amount of \$17,303.88 (3%), inclusive of HST , be established to cover any additional costs, and that authorization to approve expenditures of this contingency amount up to the specified limit be in accordance with the Expenditure Control Policy;
- 5) AND THAT the award in the total amount of \$594,100.32 (\$196,761.51 + \$380,034.93 + \$17,303.88) be funded from the Waterworks capital budget for Sanitary Sewer System Upgrade Program (account 053-6150-16237-005) with a current budget available of \$526,662.00;
- 6) AND THAT the budget shortfall in the amount of \$67,438.32 inclusive of HST be funded from the Waterworks Capital Contingency account;
- 7) AND 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 Contract ‘A’ Sanitary Sewer Spot Repairs, CIPP Lining & Manhole Repairs and Contract ‘B’ Sanitary Sewer Testing and Grouting / Lateral Joint Sealing.

BACKGROUND:

The Sanitary Sewer System Upgrade Program is a preventive and rehabilitation project which is annually implemented to maintain the sanitary collection system in good service condition, and reduce risks and liabilities due to poor maintenance.

This project addresses defects in sanitary sewer manholes, mainline pipes and sanitary sewer laterals. It addresses structural and service condition defects such as mainline pipe cracks and fractures, infiltration and defects on sanitary laterals. Manholes, mainline pipes and laterals are inspected, cleaned by high pressure jet flushing or mechanically reamed and repaired with various trenchless repair methods. Manholes, mainline pipes and laterals are injected with grout to prevent infiltration. Structural cement parging is also completed in manholes as needed. Structural defects in mainline pipes are repaired with short section (“spot”) cured-in-place-pipe (CIPP) liner. Defective laterals are structurally repaired with a CIPP lateral liner up to the property line. The repair methods are conducted through sewer manhole access points. Repairs are completed without excavation, reducing surface and traffic disturbance, service interruptions and negative impacts on the environment.

In order to attract more competitive Bidders from the sewer rehabilitation market, this year’s project is subdivided into three (3) Contracts as outlined below:

- Contract A: Sanitary Sewer Spot Repairs/ CIPP Lining and Sanitary Manhole Repairs, including 20 sewer defective spot repairs and CIPP lining, on several sewer sections with total length of 3,300m, and manhole repairs in 131 defective spots within 101 sanitary manholes in various locations; **(Recommended for Award)**
- Contract B: Sanitary Sewer Testing & Grouting at Joints/ Lateral Joint Sealing, including testing and grouting of approximately 480 defective sewer joints and 20 mainline-lateral joint sealing through 6,670m of mainline sanitary sewer; **(Recommended for Award)**
- Contract C: Sanitary Sewer Lateral Repairs and CIPP Lining, including reaming, cleaning and CCTV inspection of 60 partially blocked laterals, and 52 lateral short-length and long-length CIPP lining; **(Not recommended for Award)**

The pricing from the highest ranked lowest priced bidder for Contract ‘C’ is much higher than the estimated budget. Staff is currently reviewing the specifications and estimates for this contract, and will obtain the necessary approvals once next steps have been determined. Due to time constraints, Staff is recommending award of Contracts ‘A’ and ‘B’ only, as work is expected to begin in June/July 2016, and be completed by December 2016.

OPTIONS/ DISCUSSION:

Bid Information

Advertised	ETN
Bid closed on	April 21, 2016
Number picking up the Bid document	16*
Number responding to the Bid	4

*Staff contacted Bidders that picked up the Bid document but did not submit; three Bidders advised they were too busy and one Bidder no longer carries out the work specified.

CIPP lining is a limited market with few Bidders having full capacity to perform these types of works as outlined on previous Bids:

- 2011 – Three (3) Bids received
- 2012 – One (1) Bid received
- 2013 – Two (2) Bids received
- 2014 – Two (2) Bids received
- 2015 – One (1) Bid received
- 2016 – Four (4) Bids received

Proposal Evaluation:

The Evaluation Team was comprised of staff from the Waterworks, Environmental Services Department, and facilitated by staff from the Purchasing department. The evaluation process was conducted in three separate evaluations for Contracts ‘A’, ‘B’ and ‘C’ as outlined in the Bid document. The evaluations were based on pre-established evaluation criteria as outlined in the Request for Proposal: 15% Qualifications and Experience of the company, 20% Qualifications and Experience of the Contractor’s Key Personnel and Equipment (including Sub-Contractor’s), 35% Proposed Methodology, Materials, Schedule, QA/QC and Work Plan, and 30% price, totalling 100%.

Contract ‘A’ Sanitary Sewer Spot Repairs / CIPP Lining and Sanitary Manhole Repairs

Company	Technical (70 points)	Price (30 points)	Total Score (100 points)	Overall Ranking
D.M. Robichaud Associates Ltd.	62.0	30.0	92.0	1
PipeFlo Contracting Corp.	58.0	5.77	63.77	2

Note: Bid prices ranged from to \$231,000 to \$418,000 (inclusive of HST).

Contract ‘B’ Sanitary Sewer Testing & Grouting at Joints/ Lateral Joint Sealing

Company	Technical (70 points)	Price (30 points)	Total Score (100 points)	Overall Ranking
D.M. Robichaud Associates Ltd.	61.0	30.0	91.0	1
Sewer Technologies Inc.	58.0	9.38	67.4	2

Note: Bid prices ranged from to \$492,000 to \$830,000 (inclusive of HST).

The proposal from D.M. Robichaud Associates Ltd. (“D.M. Robichaud”) demonstrated a strong understanding of the project requirements. They proposed a satisfactory methodology, appropriate materials and equipment required for sewer rehabilitation, satisfactory customer service and coordination plan, and a construction schedule which allows the project to be completed within the required 7 month timeframe.

D.M. Robichaud has worked with the City on similar contracts in the past, and Staff believes that they have the experience, qualifications, and capability to undertake projects of this size and scope. Their work on previous projects was completed satisfactorily, on schedule, within budget and met the City’s expectation, in terms of quality of work and deliverables.

Award Options- Contracts 'A' and 'B'

D.M. Robichaud's original Bid price for Contracts 'A' and 'B' came in at \$231,531.88 and \$492,411.55 respectively (inclusive of HST), which is \$197,282 higher than the estimated budget allocated for these two contracts. It is also 33% higher than the 2015 pricing for similar contracts.

D.M. Robichaud provided the following rationale for the price increase:

- Foreign exchange rate for the Canadian dollar: DM Robichaud purchases supplies and equipment in US currency;
- Union Contract resulted in a 4% labour cost increase in 2016;
- Some of the work is challenging and requires an increase due to the complex nature of the work for this year;

Staff contacted D.M. Robichaud and successfully negotiated the 2016 unit prices which resulted in a rate reduction of approximately 15% for Contract 'A' and 23% for Contract 'B' respectively, as outlined below:

	D.M. Robichaud- Original Bid Price	D.M. Robichaud- Discounted Bid Price	Reduction
Contract A	\$231,531	\$196,761	-\$34,770 (-15%)
Contract B	\$492,412	\$380,035	-\$112,377 (-23%)
Total (A+B):	\$723,943	\$576,796	-\$147,147 (-20%)

(All numbers are inclusive of HST)

Although D.M. Robichaud reduced their 2016 prices, they are still approximately 6% higher than the 2015 contract prices. The sum of two Contract Bid prices is \$576,796 inclusive of HST, resulting in a shortfall of \$67,438.32 (\$50,134.00 + contingency of \$17,303.88) as compared to the budget allocated for these two contracts.

	City's Estimates	D.M. Robichaud- Discounted Bid Prices	Shortfall
Contract A	\$198,899	\$196,761	+\$2,138
Contract B	\$327,763	\$380,035	-\$52,272
Total (A+B):	\$526,662	\$576,796	-\$50,134

(All numbers are inclusive of HST)

D.M. Robichaud's discounted Bid prices are higher than the City's estimate; however it is still aligned with the industry pricing range. Due to the limited market for CIPP, it is unlikely that a lower price could be obtained if the Bid be re-issued to the marketplace.

FINANCIAL CONSIDERATIONS AND TEMPLATE (CONTRACT 'A' & 'B'):

Original Budget & Account #	\$ 1,024,300.00	053-6150-16237-005 Sewer System Upgrade Program
Current budget available	\$ 526,662.00	Budget allocated for this award of Contract 'A' & 'B'
Less cost of award	\$ 576,796.44	Award of Contract 'A' & 'B'
	\$ 17,303.88	Contingency (3%)
	\$ 594,100.32	Total cost of award (inclusive of HST)
Budget Shortfall	(\$ 67,438.32)	*

* The shortfall of \$67,438.32 will be funded from the Waterworks Capital Contingency account.

Contract 'A' for Sanitary Sewer Spot Repairs, CIPP Lining & Manhole Repairs will be awarded to the highest ranked and lowest priced bidder D.M. Robichaud Associates Ltd., in the total amount of \$196,761.51 inclusive of HST.

Contract 'B' for Sanitary Sewer Testing and Grouting / Lateral Joint Sealing will be awarded to the highest ranked and lowest priced bidder D.M. Robichaud Associates Ltd., in the total amount of \$380,034.93, inclusive of HST.

A contingency in the amount of \$17,303.88 (3%), inclusive of HST, will be established to cover any additional costs, and that authorization to approve expenditures of this contingency amount up to the specified limit be in accordance with the Expenditure Control Policy.

The award in the total amount of \$594,100.32 (\$196,761.51 + \$380,034.93 + \$17,303.88) will be funded from the Waterworks capital budget for Sanitary Sewer System Upgrade Program (account 053-6150-16237-005) with a current budget available of \$526,662.00.

And the budget shortfall in the amount of \$67,438.32 inclusive of HST, will be funded from the Waterworks Capital Contingency account;

HUMAN RESOURCES CONSIDERATIONS:

Not Applicable.

ALIGNMENT WITH STRATEGIC PRIORITIES:

Not Applicable.

BUSINESS UNITS CONSULTED AND AFFECTED:

Purchasing Department and Finance Department have been consulted, provided input and reviewed this report.

RECOMMENDED BY:

24/05/2016

24/05/2016

X



Peter Loukes, P.Eng.
Director, Environmental Services

X



Brenda Librecz
Commissioner, Community & Fire Services