



Report to: General Committee

Report Date: April 16, 2015

SUBJECT: Award of Contract 053-R-15 Sanitary Sewer System Upgrade Program

PREPARED BY: David Huynh, Infrastructure Project Engineer, Ext. 2400
Patti Malone, Senior Buyer, Ext. 2239

RECOMMENDATION:

- 1) THAT the report entitled “Award of Contract 053-R-15 Sanitary Sewer System Upgrade Program” be received;
- 2) AND THAT the Contract 053-R-15 for the Sanitary Sewer System Upgrade Program be awarded to D.M. Robichaud Associates Ltd., in the total amount of \$1,056,122.00 inclusive of HST impact;
- 3) AND THAT a contingency in the amount of \$31,684.00 (3%), inclusive of HST impact, be established to cover any additional contingency 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 in the amount of \$1,087,806.00 (\$1,056,122.00 + \$31,684.00) be funded from the approved Waterworks capital budget for Sanitary Sewer System Upgrade Program (account 053-6150-15293-005);
- 5) AND THAT the budget shortfall of \$60,641.00 inclusive of HST impact be funded from the Waterworks Capital Contingency Fund;
- 6) 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’s approval to award Contract 053-R-15 Sanitary Sewer System Upgrade Program.

BACKGROUND:

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 are also completed in manholes as needed. Structural defects in mainline pipes are repaired with cured-in-place-pipe (CIPP) liner, either for short section or for full-length repair. 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.

This year's project includes 35 structural spot linings totalling 2,260m of mainline sanitary sewer, 75 lateral linings, one (1) section of sewer CIPP full-length lining at 96m long, 50 manhole repairs, testing and grouting of approximately 438 defective sewer joints through 5,980m of mainline sanitary sewer. Work is expected to begin in June 2015, and to complete by December 2015.

OPTIONS/ DISCUSSION:

Bid Information

Advertised, Place and Date	ETN
Bids closed on	March 26, 2015
Number of Bidders picking up bid document	12
Number of Bidders responding to Bid	1

Staff contacted various bidders to understand why they did not submit a price for this bid. The responses varied; however, CIPP lining is a limited market, with few bidders having full capacity to perform these type of works.

- 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

Proposal Evaluation

The evaluation team was comprised of staff from the Waterworks with staff from Purchasing acting as the facilitator. The evaluation was based on pre-established evaluation criteria outlined in the Request for Proposal: 20% qualifications and experience of the company in sanitary sewer rehabilitation, 20% qualifications and experience of the contractor's and sub-contractor's key staff and details regarding equipment, 30% proposed methodology, materials, construction schedule and quality assurance & quality control (QA/QC) plan, and 30% price, totalling 100%, with the resulting scores as follows:

Bidder	DM Robichaud Associates Ltd. (sole bidder)
Technical Score (max. 70)	66.3
Pricing (max 30)	30
Total	96.3

D.M. Robichaud Associates Ltd. (“D.M. Robichaud”) proposal demonstrated a good understanding of the project requirements, satisfactory methodology, appropriate materials and construction equipment required for sewer rehabilitation, satisfactory customer services and coordination plan, good construction schedule with intention to complete the entire project within the required 7-month timeframe.

As previous year’s contractor regarding the similar projects, D.M. Robichaud has proven experience, qualifications, methodology and capability to undertake projects of similar size and scope. Their previous works were completed satisfactorily, on schedule, within budget, and met the City’s expectation in quality of work and deliverables.

Due to limited market with few contractors having full capability to complete all the works in its entirety, future contracts of similar work will be restructured into two contracts with smaller components to allow smaller bidders to competitively bid on the project.

In comparing the price under this contract to that of 2013 and 2014 prices received. The price under this contract is 20% lower than the 2013 pricing, however, 23% higher than the 2014 pricing. The 2014 bidder who was awarded the contract at that time could not maintain their pricing and would not submit a price for 2015 contract.

Award Options

D.M. Robichaud’s full bid price for this contract was \$1,141,551 inclusive of HST impact and contingency, which was \$114,385 higher than the budget allocation for this award.

Staff had contacted D.M. Robichaud and negotiated a reduction in price. Staff were able to obtain a 10% discount in unit rates of eight (8) out of nine (9) work items in the mainline sewer testing and grouting component of the project. With the 10% discount and a minor change in bid item, D.M. Robichaud’s revised bid price for this contract is \$1,087,806 inclusive of HST impact and contingency, resulting in a shortfall of \$60,641 compared to the budget allocation for this award.

Staff recommend that the shortfall of \$60,641 be funded from the Waterworks Capital Contingency fund, and awarding the contract this year to DM Robichaud as a sole bidder. Their revised bid price is slightly higher than the City estimate, however is still aligned with the industry pricing range. Due to CIPP limited market, it is unlikely that a lower price could be obtained if the bid was re-issued to the marketplace.

FINANCIAL CONSIDERATIONS AND TEMPLATE:

Original Budget & Account #	\$ 1,087,200.00	053-6150-15293-005 Sewer System Upgrade Program
Current budget available	\$ 1,027,165.00	Budget allocated for this award
Less cost of award	\$ 1,056,122.00	Award
	\$ 31,684.00	Contingency (3%)
	\$ 1,087,806.00	Total cost of award (inclusive of HST impact)
Budget Shortfall	(\$ 60,641.00)	Shortfall to be funded from the Waterworks Capital Contingency

The award in the amount of \$1,087,806.00 will be funded from Capital Project 15293 - Sanitary Sewer System Upgrade Program. The shortfall in the amount of \$60,641.00 will be funded from the Waterworks Capital Contingency, which has a current balance of \$43,405.00. After funding the shortfall, the account will have a negative balance of (\$17,236.00), which will be replenished as part of the report of the status of Capital Projects as of March 31, that will be brought forward to the June 1 General Committee.

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:

20/05/2015


X

Peter Loukes, P.Eng.
Director, Environmental Services

20/05/2015


X

Brenda Librecz
Commissioner, Community & Fire Services

ATTACHMENTS: