



Report to: General Committee
Finance & Administrative

Date of Meeting: June 19, 2006

SUBJECT: RFP Extension - 032-R-05, Wastewater Collection System
Rehabilitation and Maintenance on Various Streets

PREPARED BY: Ernie Ting, Manager Infrastructure Ext 3650
Amit Sobti, Senior Buyer Ext 2239

RECOMMENDATION:

THAT the report entitled "RFP Extension – 032-R-05, Wastewater Collection System Rehabilitation and Maintenance on Various Streets" be received;

AND THAT the contract for "Wastewater Collection System Rehabilitation and Maintenance on Various Streets" be extended for 1 year from June 2006 to June 2007 to the lowest priced bidder, LiquiForce Services (Ontario) Inc., in the amount of \$1,262,500 exclusive of GST;

AND THAT a separate blanket purchase order be issued for contingency in the amount of \$70,000 exclusive of GST, the use of which will be governed by the Expenditure Control Policy;

AND THAT the award be funded from 2006 Waterworks Capital Account, 53-6150-7241-005, Sewer System Upgrade in the amount of \$1,332,500.00.

PURPOSE:

The purpose of this report is to extend the contract for 1 year at the same terms, conditions and price based on the 2005 pricing rates with LiquiForce Services (Ontario) Inc. for the rehabilitation and maintenance of wastewater collection system on various streets in 2006 to 2007.

BACKGROUND:

On June 20, 2005, Council awarded RFP 032-R-05 contract to LiquiForce Services (Ontario) Inc. in the amount of \$764,970, exclusive of taxes. LiquiForce total tender price was 29% lower than the second lowest tender price submitted by Sewer-Matic Services. RFP 032-R-05 permitted an extension of the contract if the prices could be held.

The rehabilitation of the sanitary sewer is required to extend the life expectancy of the system and reduce liabilities resulting from sewer backups or spill into the environment. The rehabilitation work in this project covers both structural and service repairs. Structural rehabilitation includes repairs of broken, fractured and cracked pipes as well as repairs of service connections. Service repairs include cleaning and removal of blockages such as calcite, roots and other debris. Reaming of protruding laterals and service laterals repairs are also included.

All repairs and work under this contract are performed with trenchless methods. Structural and service connection repairs and rehabilitation are completed without any surface or road excavation. All repairs are completed through access from the manhole

and completed inside the pipe. These methods result in financial savings and reduce social and environmental impacts of an open excavation repair.

During the 2005 sewer rehabilitation/repair program, video inspection of the sewer and appurtenances found additional number of repairs necessary to minimize risks and liabilities, which had not been budgeted for the 2005 program. These contributed to the added cost under this extended contract. Waterworks 2006 Capital Budget for sewer system upgrade request has been increased to reflect the increase in the number of necessary rehabilitation and repairs.

In their previous performance and throughout this contract, LiquiForce Services (Ontario) Inc. has provided an excellent service and have completed work in a professional and timely manner.

Staff recommends renewal of this contract for 2006 based on the following reasons:

- Cost is based on 2005 unit cost pricing.
- Price and service cost will be assured and budget can be maintained.
- Administration and period adjustment for a new contractor will be eliminated.
- Professional and timely performance and demonstrated ability of contractor.
- Excellent performance, timely service, capable staff, and low costs are some of the other advantages in renewing this contract.

OPTIONS/ DISCUSSION:

Waterworks 2006 Capital Budget for Sewer System Upgrade request was increased over the 2005 budget amount based on the following reasons:

- To complete the work necessary to repair previously identified deficiencies not prioritized and funded between 2001-2003.
- Video inspection during the 2005 sewer system upgrade program found more deficiencies. It is anticipated that additional repairs will be found as the work progress mainly due to the aging infrastructure. It is a good practice to repair the deficiencies as they are found to reduce risk and increased cost of future repairs.

Waterworks has an ongoing visual and video inspections of local and trunk sewers. Future budget for sanitary sewer system upgrades will be adjusted based on deficiencies findings. The budget needs for the upgrades and repairs will likely increase due to increased inspections and system hydraulic analysis.

FINANCIAL CONSIDERATIONS:

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

Original Budget and Account #	\$1,332,500	53-6150-7241-005 Sewer Systems Upgrade
Current Budget Available (unspent)	\$1,332,500	Amount of contract to be extended
Less Cost	\$1,262,500	
Less Contingency	\$70,000	
Budget Remaining	\$0	

FINANCIAL TEMPLATE:


See attachment

BUSINESS UNITS CONSULTED AND AFFECTED:

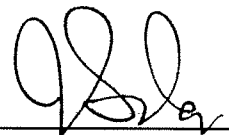
Not applicable.

RECOMMENDED

BY:



Peter Loukes
Director, Operations



Jim Sales
Commissioner, Community
and Fire Services

ATTACHMENTS:

APPENDIX
'A'

FINANCIAL INFORMATION

Committee Name: General Committee - Finance & Administrative

Committee Date: June 19, 2006

Report Name: RFP Extension - 032-R-05, Wastewater Collection System Rehabilitation and Maintenance on Various Streets

G/L Account: 53-6150-7241-005

Account Type (Op/Cap): Capital

Account Description: Sewer System Upgrade

Original Budget: 1,332,500 (A)

Less Spent to Date: 0 (B)

Less O/S Commitments: 0 (C)

Current Budget Available 1,332,500 (D) = (A) - (B) - (C)

Funding Required excl Contingency 1,262,500 (E)

Awarded to: LiquiForce Services (Ontario) Inc.

Contingency (if applicable) 70,000 (F)

Budget Remaining 0 (G) = (D) - (E) - (F)

SECTION A - COMPLETE THIS SECTION IF ADDITIONAL FUNDING IS REQUIRED (Balance Remaining is Negative)

1. Complete the following sentence: Additional funds are required as a result of...

2. Funding Source(s):

	Amount	Account(s):	Comments:
Funding Shortfall:	<u>0</u> (G)		
	<u>0</u>		
	<u>0</u>		
	<u>0</u>		
Total:	<u>0</u>		

SECTION B - CAPITAL ACCOUNT STATUS

Status:

If project(s) are to remain open an explanation is required:

SECTION C - FUTURE BUDGET IMPLICATIONS

Identify Future Financial Impact: No future financial impact.

	Year	Amount \$	Description
Expenditures			
Revenues			
Capital Requirements			

SECTION D - FINANCE DEPARTMENT COMMENTS

NOTES:

1. All figures exclude GST and include PST where applicable.