



Report to: General Committee

Report Date: September 3, 2013

SUBJECT: Award of Contract 124-R-13 Sanitary Sewer Rehabilitation –
Spot Repairs and Lining

PREPARED BY: David Huynh, Infrastructure Project Engineer, Ext. 2400
Michelle Zhu, Senior Buyer/ Analyst, Ext. 2025

RECOMMENDATION:

- 1) THAT the report entitled “Award of Contract 124-R-13 Sanitary Sewer Rehabilitation – Spot Repairs and Lining” be received;
- 2) AND THAT the Contract 124-R-13 for the Sanitary Sewer Rehabilitation – Spot Repairs and Lining be awarded to the highest ranked/ lowest priced Bidder, LiquiForce Services (Ontario) Inc., in the total amount of \$849,678.51 inclusive of HST impact;
- 3) AND THAT a contingency in the amount of \$67,974.28 (8%), 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 be funded from the Waterworks project for Sanitary Sewer System Upgrade/ Rehabilitation Program (account 053 6150 13708 005) in the amount of \$917,652.79, inclusive of HST impact;
- 5) 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 124-R-13 Sanitary Sewer Rehabilitation – Spot Repairs and Lining to the highest ranked/ lowest priced Bidder.

BACKGROUND:

The sanitary preventive maintenance and rehabilitation program is annually implemented throughout the City’s sanitary sewer system, to maintain the system in good service condition, reduce risk and the City’s liability associated with sewer backups and collapses.

This program addresses structural spot defects in the City’s sanitary sewer pipes, and employs the trenchless technology method of repair. The work involves pipe video inspection, cleaning (removal of calcite, grease, roots and debris blockages in the sewer) and structural repairs by Internal Structure Lining method to maintain and extend the pipe’s

life expectancy. All repair tasks are carried out through the sewer manholes without any excavation, reducing surface disturbance, noise and dust impact to the environment.

This year's sanitary rehabilitation project consists of 12,950 meters of sewer video inspection, 299 spot cleanings and structural lining on 176 sections of sanitary sewers in various locations. A project location map is provided in the Attachment 1. The work will begin in the fourth quarter of 2013 and, be completed in early 2014.

OPTIONS/ DISCUSSION:

Bid Information

Advertised, Place and Date	ETN
Bids closed on	July 30, 2013
Number of Bidders picking up bid document	6
Number of Bidders responding to Bid	2

Staff followed up with suppliers who picked up the bid documents but did not submit a bid. Of the four suppliers who picked up bid document but did not submit, two suppliers indicated that they do not have sufficient time to complete the work as required, one supplier was not interested in the scope of work and one supplier did not respond to the City's inquiry.

Bid Evaluation and Result

The bid evaluation team was comprised of staff from Waterworks with staff from Purchasing acting as the evaluation facilitator. Evaluation was based on pre-established evaluation criteria outlined in the Request for Proposal (RFP), with 20% of the score based on the company's qualifications and experience in sanitary rehabilitation and spot lining, 20% of the score based on qualifications of equipment and experience of key staff, 30% of the score based on construction methodology, materials, schedules and quality control, and 30% of the score based on Bid price, totaling 100%.

The resulting scores are as follows:

Bidder	Total Score
LiquiForce Services (Ont.) Inc.	82.00
PipeFlo Contracting Inc.	73.99

Prices ranged from \$1,079,163.32 to \$1,087,901.91 inclusive of HST.

LiquiForce Services (Ontario) Inc., the highest ranked/ lowest priced Bidder, has proven experience and qualifications, satisfactory construction methodology and schedule.

Scope Reduction and Award Options

LiquiForce's full bid price for this contract was \$1,079,163.32, inclusive of HST impact, which was \$247,496.36 higher than the budget allocation for this award of \$918,000.

Staff had contacted LiquiForce to seek options for price and scope reduction, in order to fit into the City's approved budget. The Bidder advised that they cannot reduce their prices,

but is willing to accept a contract with reduced quantities of works and at the same unit prices as quoted.

Staff was able to reduce work quantities by approximately 21% in spot lining, to bring the total cost of award to \$849,678.51 inclusive of HST. Reduction of scope under this project will be on non-critical repairs and will be incorporated into the 2014 spot repair and lining award, which will be funded by the 2014 budget for Sanitary Sewer System Upgrade/ Rehabilitation Program.

See below chart for a comparison of the recent RFP results for this contract.

Year	Bid	Bidder's average unit price (\$/spot, inclusive HST impact)	Bidder
2011	101-R-11	\$1,142/spot \$2,518/spot	Veolia Environmental Services LiquiForce Services Inc.
2012	154-R-12 (Cancelled)	\$2,624/spot	DM Robichaud Inc.
2013	124-R-13	\$2,622/spot \$2,647/spot	LiquiForce Services Inc. Pipeflo Contracting Inc.

LiquiForce's average unit price per spot lining at \$2,622/spot, inclusive of HST impact, was 4% higher than their 2011 bid price, but 130% higher than Veolia's price in 2011.

In 2012, DM Robichaud was the only Bid with unit price at \$2,624/spot, inclusive HST. This contract was subsequently cancelled due to budget constraints with the hope that more bidders would respond in 2013, potentially with lower prices.

Staff is of the opinion that Veolia's prices were lower than market in 2011 because this Montreal based firm wanted to enter the Ontario market and build its reputation. Veolia's strategy may have changed since then as they did not respond to the City's call for bid in 2012 and 2013. LiquiForce's prices are competitive when compared to the other contractor's prices in 2013 and 2012 and therefore, Staff recommend awarding this year's contract, with revised quantities, to the lowest priced/ highest ranked bidder LiquiForce.

FINANCIAL CONSIDERATIONS AND TEMPLATE:

Original Budget and Account #	\$ 1,223,200.00	053-6150-13708-005 Sewer System Upgrade Program
Current budget available	\$ 918,000.00	Budget allocated for this award
Less cost of award	\$ 849,678.51	Award
	\$ 67,974.28	Contingency (8%)
	\$ 917,652.79	Total Awards (Inclusive of HST impact)
Budget remaining after this award	\$ 347.21	*

*Balance remaining in the amount of \$347.21 will be returned to original funding source.

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:

11/10/2013

10/15/2013

X 

Peter Loukes, P.Eng
Director, Environmental Services

X 

Brenda Librecz
Commissioner, Community & Fire Services

ATTACHMENTS:

2013 Sanitary Sewer Rehabilitation Spot Repairs and Lining – Project Location Map