Minutes – Executive Policy Committee – December 5, 2018

Report – Standing Policy Committee on Water and Waste, Riverbank Management and the Environment – November 22, 2018

Item No. 4 Award of Contract for Construction of Trunk Sewer and LDS Separation - Cockburn and Calrossie Sewer Relief Works

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Water and Waste, Riverbank Management and the Environment and submitted the following to Council:

1. That the City enter into, execute and deliver a Contract for Bid Opportunity 640–2018, with Nelson River Construction Inc., in the amount of $7,913,006.00, plus a possible site occupancy bonus payment not to exceed 2% of the total bid price ($158,260.12), GST extra as applicable, and such other agreements as determined necessary by the Director of Legal Services and City Solicitor to implement the intent of the foregoing (the "Ancillary Agreements").

2. That authority be delegated to the Chief Administrative Officer to negotiate and approve the terms and conditions of the Contract for Bid Opportunity 640-2018 and the Ancillary Agreements, in accordance with this report and such other terms and conditions deemed necessary by the Director of Legal Services and City Solicitor to protect the interests of the City.

3. That the Chief Administrative Officer be delegated the Authority to approve over-expenditures for the awarded contract where there are sufficient funds in the approved budget.

4. That the Proper Officers of the City do all things necessary to implement the foregoing.

Report – Standing Policy Committee on Water and Waste, Riverbank Management and the Environment – November 22, 2018

DECISION MAKING HISTORY:

Moved by Councillor Gilroy,

That the recommendation of the Standing Policy Committee on Water and Waste, Riverbank Management and the Environment be concurred in and forwarded to Council.

Carried

STANDING COMMITTEE RECOMMENDATION:

On November 22, 2018, the Standing Policy Committee on Water and Waste, Riverbank Management and the Environment concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

ADMINISTRATIVE REPORT

Title: AWARD OF CONTRACT FOR CONSTRUCTION OF TRUNK SEWER AND LDS SEPARATION - COCKBURN AND CALROSSIE SEWER RELIEF WORKS (CONTRACT 11)
BID OPPORTUNITY NO. 640-2018

Critical Path: The Standing Policy Committee on Water and Waste, Riverbank Management and the Environment

AUTHORIZATION

Author	Department Head	CFO	CAO
Kas Zurek, P. Eng., Acting Manager of Engineering Services	G. K. Patton, P. Eng., Acting Director, Water and Waste Department	L. Pablo, Acting CFO	D. McNeil

EXECUTIVE SUMMARY

This report is for the award of a contract to Nelson River Construction Inc. for the construction of a Trunk Sewer for the Cockburn and Calrossie Sewer Relief Works (Contract 11). The procurement is through the Bid Opportunity process. This capital project is financed from the approved Capital Budget for Combined Sewer Overflow and Basement Flood Management Strategy. The recommendation of this report is compliant with the Materials Management Policy and applicable trade agreements.

RECOMMENDATIONS

1. That the City enter into, execute and deliver a Contract for Bid Opportunity 640–2018, with Nelson River Construction Inc., in the amount of $7,913,006.00, plus a possible site occupancy bonus payment not to exceed 2% of the total bid price ($158,260.12), GST extra as applicable, and such other agreements as determined necessary by the City Solicitor / Director of Legal Services to implement the intent of the foregoing (the “Ancillary Agreements”).

2. That authority be delegated to the Chief Administrative Officer to negotiate and approve the terms and conditions of the Contract for Bid Opportunity 640-2018 and the Ancillary Agreements**,** in accordance with this report and such other terms and conditions deemed necessary by the City Solicitor / Director of Legal Services to protect the interests of the City.

3. That the Chief Administrative Officer be delegated the Authority to approve over-expenditures for the awarded contract where there are sufficient funds in the approved budget.

4. That the Proper Officers of the City do all things necessary to implement the foregoing.

REASON FOR THE REPORT

The total bid amount exceeds $5,000,000.00, therefore the award must be approved by The Standing Policy Committee on Water and Waste, Riverbank Management and the Environment, pursuant to B8.2 of the Materials Management Policy.

IMPLICATIONS OF THE RECOMMENDATIONS

Funds in the amount of $118,707,000.00 are included in the 2009-2018 Capital Budget for Combined Sewer Overflow and Basement Flood Management Strategy, Account Distribution No. 444 181000 200752 2038000118 Contractex.

HISTORY/DISCUSSION

The work of this contract consists of the installation of a new land drainage sewer system and the connection of the land drainage inlets to the new sewer.

The major components of the Work are as follows:

a) Construction of land drainage sewers ranging in size from 250mm to 1800mm diameter by trenchless installation methods;
b) Relocation (temporary or permanent) of existing utilities, and regrading of existing sewer and water services (as required) to permit the installation of the new land drainage sewers, manholes and associated construction shafts;
c) Installation of new manholes;
d) Abandonment of existing catch basins connections to combined sewers;
e) Connection of existing catch basins and catch basin leads to new land drainage sewers; and
f) Surface restoration and related works.

This project includes the use of site occupancy as a means for monitoring and administering progress of the work. Site occupancy involves the Contract Administrator setting a completion date for the work along with a daily contract administration cost (site occupancy cost) for each Working Day the Contractor is able to work. The Contractor bids the number of anticipated Working Days to complete the work, and depending on the actual Working Days to complete the work, there may be a bonus payment or deduction applied to the final payment. The cost of site occupancy is determined by the amount of declared working days by the contractor multiplied by the

set daily cost for site occupancy. The total value is then added to the total bid price to form the total evaluated bid price.

The Bid Opportunity closed on October 5, 2018, with five bids being received, and four bids deemed responsive as follows:

	Total Bid Price	Total Evaluated Bid Price
Nelson River Construction Inc.	$7,913,006.00	$ 8,263,006.00
Tri-Core Projects Ltd.	$7,916,508.00	$ 8,372,008.00
Borland Construction Inc.	$8,189,876.00*	$ 8,627,376.00*
Dibco Underground Ltd.	$9,625,029.50*	$10,208,929.50*

One submitted bid was deemed “Non-Responsive” by the Manager of Materials Management.

Mathematical calculation errors by bidders:	Total Bid Price Tendered	Total Evaluated Bid Price Tendered
* Borland Construction Inc. corrected bid submitted price from:	$8,259,641.00	$ 8,697,141.00
* Dibco Underground corrected bid submitted price from:	$9,621,015.51	$10,204,915.51

Pre-bid Estimate $8,562,745.00

The low bid of $8,263,006.00.00 is approximately 4% lower than the pre-bid estimate.

A Pre-Award meeting was held on October 10, 2018, to confirm that the Contractor had the resources and ability to complete the work by the Substantial and Total Performance dates, and within the number of Working Days allocated for the project. Nelson River Construction Inc. provided confirmation that the project would be completed as detailed in the Bid Opportunity, and as recorded in the Pre- Award meeting minutes dated October 10, 2018.

The total cost of the project including the contract works will be $8,071,266.12, which is within the budget funds provided. The total cost of $8,071,266.12 includes the Contractors total bid price ($7,913,006.00), plus a Site Occupancy Bonus not to exceed 2% of the total bid price ($158,260.12), in the event the Contractor finishes the work prior to the performance dates specified in the Contract.

Engineering staff of this Department is satisfied that the low Bidder has the necessary resources to perform all of the work in accordance with the requirements of the specifications. The low Bidder has satisfactorily carried out previous construction works of a similar nature.

The recommended Contractor has a Certificate of Recognition (COR) provided by the Manitoba Heavy Construction Association's Worksafely Program, Certification No. MH051215N.

The Manager of Materials has advised that each of the responsive bid submissions was accompanied by satisfactory bid security.

The financial status of the Combined Sewer Overflow and Basement Flood Management Strategy project is as follows:

Authorized Capital		$118,707,000.00
Amount of Previous Awards Or Expenditures	$91,044,307.83	
Amount of this Award	$ 7,913,006.00	
Amount of 2% Site Occupancy Bonus	$ 158,260.12	
Total Estimated Cost	$99,115,573.95	$99,115,573.95
Estimated Residual for Remaining Projects		$19,591,426.05

The bid recommended for acceptance is the low bid meeting all requirements of the specifications. This offer is open for acceptance until February 2, 2019.

Construction will not commence prior to the award of contract.

FINANCIAL IMPACT

Financial Impact Statement

Date: October 22, 2018

Project Name:

First Year of Program **2018**

AWARD OF CONTRACT FOR CONSTRUCTION OF TRUNK SEWER AND LDS SEPARATION - COCKBURN AND CALROSSIE SEWER RELIEF WORKS (CONTRACT 11)
BID OPPORTUNITY NO. 640-2018

	2018	2019	2020	2021	2022
Capital					
Capital Expenditures Required	$ 8,071,266	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	8,071,266	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ -	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ -	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	-	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Funds for this project are included in the approved Capital Budget for Combined Sewer Overflow and Basement Flood Management Strategy, Account Distribution No. 444 181000 200752 20380001YY. This work is financed by the Environmental Projects Reserve.

"Original signed by L. Szkwarek, CPA, CGA'
Lucy Szkwarek, CPA, CGA
Manager of Finance and Administration

sc
15-Oct-18

CONSULTATION

This Report has been prepared in consultation with:

Legal Services (as to legal issues)
Corporate Finance, Materials Management Branch

OURWINNIPEG POLICY ALIGNMENT

OurWinnipeg Reference: Environment

SUBMITTED BY

Department: Water and Waste
Division: Engineering Services
Prepared by: Jurgen Friesen, C.E.T.
Date: October 25, 2018
File No.: D-393

ATTACHMENTS:

Evaluation Matrix