

## **COMMITTEE OF THE WHOLE – FEBRUARY 18, 2002**

### **AWARD OF TENDER T02-004** **SUPPLY AND INSTALLATION OF WATER, SANITARY AND STORM SEWER** **SERVICE CONNECTIONS**

#### **Recommendation**

The Commissioner of Development Services and Public Works in consultation with the Director of Purchasing and the Director of Reserves and Investments recommends:

- 1) That Parts A and B of Tender T02-004, Supply and Installation of Water, Sanitary and Storm Sewer Service Connections be awarded to Direct Underground Ltd. for the contract period up to December 31, 2002; and
- 2) That the Mayor and Clerk be authorized to sign the necessary documents.

#### **Purpose**

Council approval to award Contract T02-004.

#### **Background - Analysis and Options**

This tender includes the Supply and Installation of Water, Sanitary and Storm Sewer Service Connections for Residential (Part A) and Industrial/Commercial/Institutional (Part B) customers. The services under this contract will be requisitioned by staff as and when required for the completion of service connection requests from private applicants. Work orders will be issued by staff on individual application basis and the cost of the services requisitioned under this contract will be paid by the private applicant requesting the service connection prior to commencement of the work, based on the unit prices bid in Tender T02-004.

Tenders closed for this project on Wednesday, January 30, 2002, and the following bids were received:

<u>Contractor</u>	<u>Part A</u>	<u>Part B</u>	<u>Total Bid Amount (including G.S.T.)</u>
Direct Underground Inc.	\$447,906.90	\$657,089.00	\$1,182,345.61
Finch Paving (1993) Inc.	\$491,792.00	\$686,360.00	\$1,260,622.64
A. Donofrio Const. Co. Ltd.	\$509,180.00	\$793,036.00	\$1,393,371.12
Bess Con Construction Ltd.	\$546,000.00	\$795,857.00	\$1,435,786.99
FTD Construction	\$645,751.00	\$809,260.00	\$1,556,861.77

The total bid amount reflects estimated quantities of service connection construction work based on an estimated annual amount of work (according to 2000-2001 records). The City does not guarantee the actual quantities as volume of work and consequently the total bid amount is used for the purpose of bid comparison and ranking only. The contract period ends on December 31, 2002.

The tendered prices by Direct Underground are on average 36% lower than the prices in the 2001 service connections contract (T01-95) and 11% lower than the 1999-2000 prices (Contract T99-34). Lower prices are in part due to a more competitive environment at this time of year. Direct Underground was the low bid on both Parts A and B.

In an on-going effort to improve customer service and the management of this contract, staff are developing a Service Connection Application System. This software tool will enable staff to better manage the service connection process.

Direct Underground has performed satisfactory work for the City in 2001.

**Conclusion**

Staff recommend award of Contract T02-004 to Direct Underground Inc.

**Attachments**

None.

**Report prepared by:**

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Respectfully submitted,

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CN:MC