

COMMITTEE OF THE WHOLE - JUNE 20, 2005

AWARD OF TENDER T05-038

WATERMAIN REPLACEMENT AND ROAD REHABILITATION IN THE CONCORD AREA

Recommendation

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

1. That Tender T05-038 for the Watermain Replacement and Road Rehabilitation in the Concord area be awarded to Direct Underground Inc. in the amount of \$2,498,363 plus G.S.T.;
2. That a contingency allowance in the amount of \$250,000 be approved within which the Commissioner of Engineering and Public Works or his designate is authorized to approve amendments to the contract;
3. That a Geotechnical Inspection and Material Testing amount of \$24,500 plus G.S.T. be approved to ensure compliance with all applicable standards; and
4. That the Mayor and Clerk be authorized to sign the appropriate documents.

Economic Impact

The total cost of \$2,857,000 for the project falls within the approved budget amount and as such there is no additional economic impact to the 2005 Capital Budget.

Long range financial implications will include operating and maintenance costs associated with this type of infrastructure which are not qualified at this time, including long term replacement.

Purpose

Council approval to award Tender No. T05-038 for the Watermain Replacement and Road Rehabilitation in the Concord area.

Background - Analysis and Options

This tender (2005 Capital Budget Projects 1574-0-05 and 1571-0-05) includes the watermain replacement and road rehabilitation in the Concord area including Keeleview Court, Hillside Avenue, Baldwin Avenue, Southview Drive and Jardin Drive. As part of this work, a section of sanitary sewer on Hillside Avenue that was identified as being deficient, will be replaced as per Council direction. (See Attachment No. 1 for project locations).

The tender was advertised in the Daily Commercial News and on the Electronic Tendering Network (ETN), and closed on Monday, May 30, 2005. A total of five documents were picked up from the Purchasing Department and the following two bids were received:

<u>Contractor</u>	<u>Total Bid Amount (excl. G.S.T.)</u>
Direct Underground Inc.	* \$2,498,363.00
Alsi Contracting Ltd.	\$3,249,122.91

* Corrected for arithmetic error

The estimated cost for this project including provisional items, contract administration, inspection and testing, a contingency allowance and all applicable taxes (G.S.T. is 100% recoverable) is \$2,857,000 and is calculated as follows:

Direct Underground Inc. Bid (Not incl. G.S.T.)	\$2,498,363.00
Contingency Allowance (Approximately 10%)	\$ 250,000.00
Geotechnical Inspection and Material Testing	\$ <u>24,500.00</u>
Sub-Total	\$2,772,863.00
G.S.T. (7% amount 100% recoverable)	\$ 194,100.41
Treasury Administration (3%)	\$ 83,185.89
Total	\$3,050,149.20
Less G.S.T. Recoverable	\$ <u>(194,100.41)</u>
Net Cost	\$2,856,048.80
Rounded	\$2,857,000.00

The City's consultant for this project Totten Sims Hubicki Associates have checked the bids for mathematical errors and are satisfied that Direct Underground Inc. is deemed qualified to successfully complete this project. Direct Underground Inc. has completed similar work for the City in the past with satisfactory results. Therefore, it is appropriate to award this contract to Direct Underground Inc.

Relationship to Vaughan Vision 2007

This project is consistent with Vaughan Vision 2007 in that the proposed works ensure that municipal operations are undertaken in an environmentally responsible manner (4.4.4.).

This report is consistent with the priorities previously set by Council.

Conclusion

Sufficient funding is available in the 2005 Capital Budget (Projects 1574-0-05 and 1571-0-05) to complete the project. Funding for this project shall be as follows: \$1,799,000 is funded from the Water Reserve, \$98,000 is funded from the Sewer Reserve and \$960,000 is funded from Long Term Debt. Staff recommend that this contract be awarded to Direct Underground Inc. in the amount of \$2,498,363 plus G.S.T.

Attachments

1. Location Map

Report prepared by:

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Respectfully submitted,

Bill Robinson, P. Eng.
 Commissioner of Engineering and Public Works

Gary Carroll, P. Eng.
 Director of Engineering Services

JZ:mc

ATTACHMENT No. 1

