
Subject: Award of Contract 2019-T-161 Phase 1: Grimsby Watermain Replacement

Report to: Public Works Committee

Report date: Tuesday, September 10, 2019

Recommendations

1. That Contract 2019-T-161 Phase 1: Grimsby Watermain Replacement between Murray Street and Baker Road North in the Town of Grimsby **BE AWARDED** to Baiocco Construction Corporation at their bid price of \$12,348,477 (including 13% HST).

Key Facts

- The purpose of this report is to seek Council's approval to award Contract 2019-T-161 Phase 1: Grimsby Watermain Replacement between Murray Street and Baker Road North in the Town of Grimsby.
- Schedule B of Niagara Region's Procurement By-law 02-2016 as amended February 28, 2019 requires Council approval for all tender awards in excess of \$5,000,000.
- Proposed works include replacement of 2.45 km of existing 500 mm diameter watermain with a new 750 mm diameter watermain along Regional Road 40 (South Service Road / Clarke Street) from Murray Street to Baker Road North.
- Construction is scheduled from September 2019 to August 2020 with a contract completion date of August 31, 2020.
- On July 18, 2019, Niagara Region initiated a competitive public tender process (2019-T-161), to solicit bids from General Contractors for these works. The tender closed on August 15, 2019. The tender opening was deferred until September 4, 2019. Eleven (11) bid submissions were received and ten (10) bids were opened with the lowest compliant bid being received from Baiocco Construction Corporation in the amount of \$10,927,855 (excluding 13% HST).

Financial Considerations

Project 20000467 Phase 1: Grimsby Watermain Replacement between Murray Street and Baker Road North in the Town of Grimsby has a previously approved capital budget of \$13,400,000. The total estimated project cost after the award of Contract 2019-T-161 is \$12,104,315 (inclusive of 1.76% non-refundable HST), as detailed in Appendix 1 – Total Estimated Project Cost. The expected surplus of \$574,908 will be returned to the Capital Variance Reserve – Water.

Analysis

The primary water supply to South Grimsby, Beamsville and Smithville is provided by the Grimsby Water Treatment Plant through a 500 mm diameter ductile iron watermain. This watermain was constructed in 1975 along the CNR tracks in the Town of Grimsby and, consequently, Niagara Region pays an annual license agreement fee to the railway. Furthermore, gaining access to the valves and watermain for maintenance and repair is challenging.

In January 2016, this watermain failed twice in the section between Baker Road North and Nelles Road North. While making the repairs, it was discovered that when the land to the south was developed, a berm was constructed overtop of the watermain, burying it and the air release valves to more than double the original design depth. The watermain from Elizabeth Street to Baker Road North was constructed as one contract and as such, it is believed that the ductile iron pipe in this entire section is in the same poor condition as the pipe in the failure areas.

Providing safe, reliable drinking water is a key objective of Niagara Region. Future failures of this watermain will be problematic as they will negatively impact the communities of South Grimsby, Beamsville and Smithville. To address this concern, it is our intent to replace this watermain in two phases. Phase 1 includes Grimsby Watermain Replacement along Regional Road 40 (South Service Road / Clarke Street) between Murray Street and Baker Road North (See Appendix 2 Key Plan). Phase 2 will include the Grimsby Watermain Replacement between Baker Road North and Park Road North.

Proposed works for Phase 1 Grimsby Watermain Replacement include:

- 2.45 km of new 750 mm diameter watermain to be installed via open-cut methods along Regional Road 40 (South Service Road / Clarke Street) from Murray Street to Baker Road North.
- Four (4) local connections and one (1) regional connection to be made to the existing watermain system:
- One (1) trenchless crossing via micro tunnel methods with 300/900 mm diameter carrier/casing pipe is required across Canadian National Railway (CN) tracks at Nelles Road North.
- One (1) open-cut crossing with 750/1200 mm diameter carrier/casing pipe is required under the Ministry of Transportation Ontario (MTO) overpass at Maple Avenue.

Associated Engineering was retained by Niagara Region through 2016-RFP-43 to complete detailed design and tendering. Contract administration and inspection services were evaluated during the original RFP period, and were approved by Change Purchase Order through the procurement process.

In accordance with Niagara Region Procurement By-law 02-2016 as amended on February 28, 2019 and under the guidance of the Region's Procurement Department, a public tender process was initiated on Thursday, July 18, 2019. While the tender did close on Thursday, August 15, 2019, staff advised all bidders in attendance and issued an addenda the same day that the public opening for this project was deferred. On Friday, August 30, 2019, a post-closing addenda was posted, providing a 48 hour notice confirming tender opening rescheduled for September 4, 2019.

Tender opening occurred on Wednesday, September 4, 2019 and of the eleven (11) bids received, ten (10) were opened with the lowest compliant bid being received from Baiocco Construction Corporation in the amount of \$12,348,477 (including 13% HST).

The Region's Procurement Department has reviewed and checked all opened tenders to confirm they included acknowledgement of the correct number of Addenda and requisite Bid Security (tender deposit) and Surety (Agreement to Bond).

A summary of the bid submissions which were opened is included in Appendix 3.

Contract award requires resources from Legal Services and Corporate Services in order to execute the required contract documents. Water and Wastewater Engineering staff will be providing resources throughout the project in order to manage the contract with assistance from Corporate Services on contract/project payments.

Alternatives Reviewed

1. Proceed with the Contract Award – This alternative would enable staff to proceed with contract award to Baiocco Construction Corporation to replace the old 500 mm diameter watermain pipeline that is beyond its service life with a new 750 mm diameter watermain to meet the Niagara Region's objective of providing safe and reliable drinking water supply to the communities of South Grimsby, Beamsville and Smithville.
2. Do Nothing – This alternative does not adequately address the safe and reliable distribution system supply of potable drinking water to the communities of South Grimsby, Beamsville and Smithville given the condition, risk, and break history of the old watermain that requires replacement.

Staff recommend Alternative 1 to proceed with contract award to Baiocco Construction Corporation.

Relationship to Council Strategic Priorities

This recommendation is related to the Fostering Growth strategic priority, since the planned watermain replacement upgrade will ensure reliable infrastructure to support

growth and economic development within the Town of Grimsby, Town of Lincoln and Township of West Lincoln.

Other Pertinent Reports

N/A.

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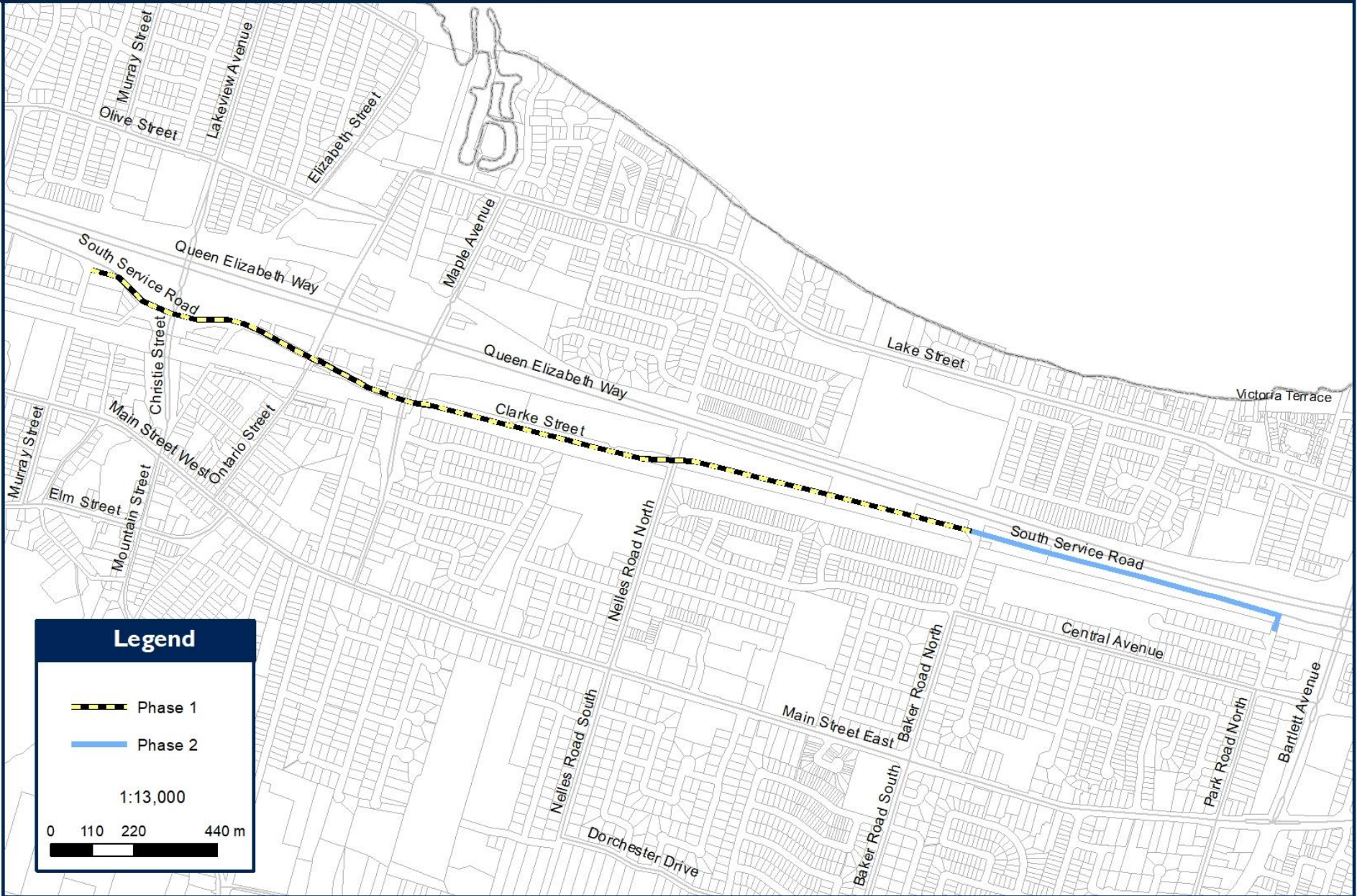
**PW 52-2019 APPENDIX 1
Total Estimated Project Cost
Contract Award**

Contract 2019-T-161 - Phase 1: Grimsby Watermain Replacement between Murray Street and Baker Road North - Town of Grimsby



	Council Approved Budget	Budget Increase/ Reallocation	Revised Council Approved Budget	Expended & Committed as of 09/05/19	Contract Award/ Forecast	Budget Remaining
	(A)	(B)	(C) = (A) + (B)	(D)	(E)	(F) = (C)-(D)- (E)
<u>Total Estimated Project Cost (20000467)*</u>						
(a) Construction (includes contract contingency)**	8,800,622	2,350,092	11,150,714	30,528	11,120,186	-
(b) Project Contingency	2,625,000	(1,450,092)	1,174,908		600,000	574,908
(c) Consulting Engineering Services (Design, Contract Administration, & Inspection)	1,636,070	(750,000)	886,070	661,319	224,751	-
(d) Project Management & Internal Costs	338,308	(150,000)	188,308	28,930	159,378	-
Total Estimated Project Cost	13,400,000	-	13,400,000	720,777	12,104,315	574,908

*All costs include 1.76% non-refundable HST

** Total Contract Award is equal to i) \$10,927,855 before tax; ii) \$11,120,186 including 1.76% non-refundable HST; iii) \$12,348,477 including 13% HST




Legend

-  Phase 1
-  Phase 2

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Appendix 3 Summary of Bids (2019-T-161)

Vendor	Total Tender Price (excluding HST)
Baiocco Construction Corporation	\$10,927,855.40
V. Gibbons Contracting Ltd.	\$11,248,266.15
Dom-Meridian Construction	Rejected - Informal
New Alliance Ltd.	\$11,986,370.00
Peters Excavating	\$12,646,700.00
Alfred Beam	\$13,064,993.70
Regional Sewer & Watermain	\$13,959,006.38
DESO Construction Ltd.	\$15,080,000.00
Lakeside Contracting	\$15,842,653.75
Brantford Engineering & Construction Ltd.	\$17,278,775.25