

COUNCIL REPORT

M&C No.	2019-188
Report Date	July 22, 2019
Meeting Date	July 29, 2019
Service Area	Saint John Water

His Worship Mayor Don Darling and Members of Common Council

SUBJECT: Contract 2019-05: Sanitary Sewer Structural Lining Phase III – Various Locations

OPEN OR CLOSED SESSION

This matter is to be discussed in open session of Common Council.

AUTHORIZATION

Primary Author	Commissioner/Dept. Head	City Manager
<i>Joel Landers</i>	<i>Brent McGovern / Brian Keenan</i>	<i>John Collin</i>

RECOMMENDATION

It is recommended that Contract 2019-05: Sanitary Sewer Structural Lining Phase III – Various Locations, be awarded to the tenderer, Eastern Trenchless Ltd., at the revised tendered price of \$159,285.12 (including HST) as calculated based upon estimated quantities, and further that the Mayor and Common Clerk be authorized to execute the necessary contract documents.

EXECUTIVE SUMMARY

The purpose of this report is to recommend that Contract 2019-05: Sanitary Sewer Structural Lining Phase III – Various Locations, be awarded to the tenderer.

PREVIOUS RESOLUTION

October 2, 2017; 2018 Water & Sewerage Utility Fund Program approved.

REPORT

BACKGROUND

The approved 2018 Water & Sewerage Utility Fund Capital Program includes funding for the Cured in place structural lining of sanitary sewers in various locations. The location of the lining work recommended for award is on Union Street from Sydney Street to Prince Edward Street.

TENDER RESULTS

Tenders closed on July 9, 2019 with the following results, including HST:

1. Eastern Trenchless Ltd., Fredericton, NB \$ 344,904.80

The Engineer's estimate for the work was \$220,000.00, including HST.

ANALYSIS

The tender was reviewed by staff and was found to be formal in all respects. Staff is of the opinion that the tenderer has the necessary resources and expertise to perform the work, and recommend acceptance of their tender (revised tendered price of \$159,285.12 including HST).

The difference between the original tendered amount and the available budget is \$154,904.80 (\$344,904.80-\$190,000.00). Staff wanted to ensure that the City was receiving good value for the funds being allocated to this project. With this in mind, Staff contacted the tenderer to discuss the difference in the tendered amount versus the Engineer's estimate and to explore ways to negotiate a better overall project price. The tenderer and Staff were successful in negotiating the quantities of lining work that would result in an overall project cost within the available budget. The negotiated tender price is now \$159,285.12 (including HST).

FINANCIAL IMPLICATIONS

The Contract includes work that is charged against the 2018 Water and Sewerage Utility Fund Capital Program. Assuming award of the Contract to the tenderer, an analysis has been completed which includes the estimated amount of work that will be performed by the Contractor and Others.

The analysis is as follows:

Budget	\$ 190,000.00
Project net cost	\$ 154,946.52
Variance (Surplus)	\$ 35,053.48

POLICY – TENDERING OF CONSTRUCTION CONTRACTS

The recommendation in this report is made in accordance with the provisions of Council's policy for the tendering of construction contracts, the City's General Specifications and the specific project specifications.

STRATEGIC ALIGNMENT

This report aligns with Council's Priority for Valued Service Delivery, specifically as it relates to investing in sustainable City services and municipal infrastructure.

SERVICE AND FINANCIAL OUTCOMES

The sanitary sewer on this section of Union Street is in poor condition and requires rehabilitation. The rehabilitation of the infrastructure will reduce the likelihood of future service disruptions to the local residents and businesses due to infrastructure failures.

This project will be completed within the original approved financial budget.

INPUT FROM OTHER SERVICE AREAS AND STAKEHOLDERS

N/A

ATTACHMENTS

N/A