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DATE: May 1, 2009

REPORT TITLE: **CONSTRUCTION OF A 600MM FEEDERMAIN ON COUNTRYSIDE DRIVE  
PART 1, BETWEEN REGIONAL ROAD 4 (DIXIE ROAD)  
TO EAST OF BRAMALEA ROAD  
CAPITAL PROJECT 08-1152  
DOCUMENT 2009-029T  
CITY OF BRAMPTON, WARD 9**

FROM: Dan Labrecque, Commissioner of Environment, Transportation  
and Planning Services

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## RECOMMENDATION

That the contract (Document 2009-029T) for the construction of a 600mm feedermain on Countryside Drive from Regional Road 4 (Dixie Road) to east of Bramalea Road be awarded to London Excavators and Trucking Ltd. in the estimated amount of \$2,468,367.31 (excluding applicable taxes), under Capital Project 08-1152, in accordance with Purchasing By-law 63-2008.

### REPORT HIGHLIGHTS

- Request for Tender 2009-029T was issued for the construction of a 600mm feedermain and publicly opened on April 15, 2009.
- A thorough review of all submissions was undertaken by the Region's consultant, R.V. Anderson Associates Limited, and Capital Works staff.
- The vendor submitting the lowest bid does not have experience with similar works, being particularly, construction of large concrete watermains. Due to the criticality and the risks of the proposed watermain, it is recommended to award the contract to the second lowest bidder, London Excavators and Trucking Ltd.

## DISCUSSION

### 1. Background

The construction of the 600mm diameter Concrete watermain has been proposed to initially connect the Airport Road pumping station to the North Brampton pumping station and to supplement water supply in the West Peel system while the Lorne Park Water Treatment Facility is off-line for planned expansion in 2010. The main must be completed and in service by fall 2009 for testing purposes. Once the East to West Transfer of demand is no longer required and the Lorne Park WTF is fully operational, the 600mm concrete watermain will be used to substantially improve water distribution, enhance water supply, and in the long-term provide greater system redundancy and reliability.

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This project has been accelerated ahead of the balance of Regional installations and upgrades associated with the widening of Countryside Drive by the City of Brampton, with these works anticipated for tender in June 2009.

## **2. Procurement Process**

Tender Document 2009-029T was issued for the construction services for Part 1 of the 600mm feedermain along Countryside Drive between Regional Road 4 (Dixie Road) to east of Bramalea Road in the City of Brampton, Ward 9. This document was issued to 30 vendors with 16 submissions received by 12:00 (noon) on the closing date of April 15, 2009.

All bids were reviewed and evaluated by the Region's consultant, R.V. Anderson Associates Limited. As part of the review, all calculations were verified. Adjustments resulting from the verification of calculations are as per the Tender Opening Results attached in Schedule 1.

Reference checks, and a review of the vendors' experience in similar work, were completed by the consultant. In their review, R.V. Anderson noted that the vendor submitting the lowest bid, Allto Construction Services, did not provide evidence that they have previously constructed a watermain of this size or demonstrated any related experience with concrete pressure pipe. R.V. Anderson indicated that if Allto was to be awarded the contract, they would recommend additional costs for contingencies be added to the contract for additional inspection and contract administration that would be needed due to Allto's inexperience. These additional costs would bring the lowest bid into range of the second lowest bid, if not above. In fact, staff expect, based on recent experience, that administration of a contract with an inexperienced contractor, will entail additional staff time and internal cost as well, thereby increasing the overall cost of the contract even further.

Staff have other concerns. With the current economic downturn across the construction industry, municipal infrastructure projects are being bid by an above normal number of contractors, with aggressive bid prices, which suggest very slim profit margins. The number of new contractors bidding has also increased recently, including contractors with little or no experience in the particular type of work. There are special considerations in the construction of watermain concrete pressure pipe, and the consequences of improper construction, are potentially very severe.

The second lowest bid submission was received from London Excavators and Trucking Ltd. Their references were also checked, and related experience evaluated. They have extensive experience with concrete pressure pipe and have successfully completed projects for the Region in the past.

The tender provisions of the contract permit the Region to perform a full evaluation of submissions, including references and past experience, and permit the Region to reject a submission if the evaluation proves unsatisfactory.

In accordance with the tender documents, the Region fully evaluated each tender to determine award. The lack of experience in the particular type of work required for this

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project and the additional costs associated with an award to the vendor with the lowest bid submission do not result in overall lowest cost or best value to the Region.

Therefore, it is recommended to award the contract of Construction of a 600mm feedermain on Countryside drive Part 1, between Regional Road 4 to East of Bramalea to London Excavators and Trucking Ltd. as the most cost effective method to complete the project in the time required.

**FINANCIAL IMPLICATION**

Sufficient funding is available under Capital Project 08-1152 to finance the contract award of \$2.47 million. As of April 2009, \$7.96 million remains.

ETP-B3-4-

May 1, 2009

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Dan Labrecque  
Commissioner of Environment, Transportation  
and Planning Services

**Approved for Submission:**



*Per* \_\_\_\_\_  
D. Szwarc, Chief Administrative Officer

*For further information regarding this report, please contact*

 Anthony Parente, P.Eng. at extension 7833 or via email at [anthony.parente@peelregion.ca](mailto:anthony.parente@peelregion.ca)

Authored By: Lyle LeDrew

c. Legislative Services  
 J. Macintyre, Director, Purchasing  
Manager, Financial Support Unit (FSU)

ETP-83-5

May 1, 2009

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**Schedule 1****DOCUMENT OPENING**

The following bids closed at 12:00 p.m. on April 15, 2009 and were subsequently opened by the Region of Peel Tender Opening Committee at 10 Peel Centre Drive at 12:15 p.m.

VENDOR	TOTAL BID	ADJUSTED
Allto Construction Services	\$2,450,000.00	
London Excavators and Trucking Ltd.	\$2,468,367.31	
Varcon Construction Corporation	\$2,476,780.00	
Con-Ker Construction Corporation	\$2,545,900.00	
Dom-Meridian Construction Ltd.	\$2,564,320.13	
Con-Drain Company (1983) Ltd.	\$2,624,671.34	
D'Orazio Infrastructure Group Limited	\$2,698,743.00	
Fernview Construction Ltd.	\$2,775,000.00	
Metric Contracting Services Corp.	\$2,783,860.40	
Pachino Construction Co. Ltd.	\$2,875,000.00	
Lancorp Construction Co. Ltd.	\$2,903,942.85	
Network Site Services Ltd.	\$2,954,201.51	\$2,954,004.51
Drainstar Contracting Limited	\$2,960,150.50	
JPW Construction Limited	\$2,960,150.50	
Dig-Con International Limited	\$3,270,672.42	
Rymall Construction Inc.	\$3,585,305.00	\$3,601,355.00