PW-CS-1

Region of Peel
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REPORT
Regional Council

DATE: December 1, 2010

REPORT TITLE: **CONSTRUCTION OF THE BECKETT SPROULE FEEDERMAIN**
CAPITAL PROJECT 04-1205
DOCUMENT 2010-645T
CITY OF BRAMPTON, WARD 3
CITY OF MISSISSAUGA, WARD 5

FROM: Dan Labrecque, Commissioner of Public Works

RECOMMENDATION

That the contract (Document 2010-645T) for the construction of the Beckett Sproule Feedermain, Contract 6, be awarded to Pachino Construction Company Limited in the estimated amount of $24,776,105 (excluding applicable taxes), under Capital Project 04-1205, in accordance with Purchasing By-law 63-2008;

And further, that the estimated amount of $17,442,379 (70.4 per cent) of the contract amount be recovered from York Region, in accordance with the York-Peel Water Servicing Agreement;

And further, that additional funding in the amount of $5,595,016 be provided to Capital Project 04-1205, financed from D.C. South Peel Water Reserve R3520 in the amount of $1,656,125 and from York Region in the amount of $3,938,891, in accordance with the York-Peel Water Servicing Agreement.

REPORT HIGHLIGHTS

- The Region of Peel 2007 Water and Wastewater Master Plan update identified the need to construct the Beckett Sproule Feedermain.
- Overall construction costs of the seven capital contracts have increased the project cost. There are also increases in the scope of the engineering assignments.
- In accordance with the York-Peel Water Servicing Agreement, 70.4 per cent of the contract amount will be recovered from York Region based on the agreed cost split, between the two municipalities for Capital Project 04-1205. York Region has agreed upon the previously supplied estimate as per the Water Servicing Agreement.
- Staff recommend that additional funding in the amount of $5,595,016 be provided from D.C. South Peel Water Reserve R3520 and York recoveries in order to award the construction Contract 6 and to cover additional engineering and internal costs associated with the project.
- The Request for Tender Document 2010-645T was competitively bid and Pachino Construction Company Limited is recommended for award.

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DISCUSSION

1. Background

The Region of Peel 2007 Water and Wastewater Master Plan update identified the need to construct the Beckett Sproule Feedermain. This new feedermain is required to provide additional water for development intensification in the City of Mississauga, water supply for planned development in Brampton and Caledon, and commitments to York Region as part of the York-Peel Water Servicing Agreement. It will also provide redundancy to the existing Regional system, allowing the existing Beckett Sproule Feedermains (circa 1970 and 1990) to be temporarily shut off for comprehensive inspection and rehabilitation when required. The proposed work will involve construction of a new 2100mm (83 inch) diameter Feedermain that will extend approximately 9.5 kilometers north from the Hanlan Transfer Pumping Station to the Beckett Sproule Pumping Station.

The current budget estimate of $104,136,000 was established in mid-2009. Since that time the design for the Feedermain has been completed, six construction contracts have been tendered and five have been awarded. The established project budget was based on estimates from the Environmental Assessment (EA) and engineering estimates for the individual contracts.

2. Project Scope Changes

York Region has agreed to an amended budget estimate to an upset limit of $129 million. Current estimates have the project being completed under the upset limit by approximately $5 million.

The overall project cost has increased due to additional expenses associated with the following items:

- Additional Geotechnical work required by the Ministry of Transportation of Ontario for the tunnel section under Highway 410 (Contract 6).
- Redesign of the piping at Tomken Road and Britannia Road to avoid a tunnel shaft within the intersection of Tomken Road and Britannia Road (Contract 6).
- Additional capital contract. Originally the portion of the Feedermain under Steeles Avenue was to be included in the Contract 3A tender. However, the initial geotechnical investigation concluded that there were unstable conditions at the proposed pipeline elevation. Due to the risk involved and the importance of the area due to the Highway 410 interchange, located just to the east of the proposed tunnel alignment, an additional capital contract was required along with additional geotechnical investigations to locate a suitable elevation for tunneling. The new alignment, although deeper and at slightly higher cost, will reduce the risk of settlement to the roadway. (Contract 3B)
- City of Mississauga/Ontario Realty Corporation (ORC) Corridor (Contract 4) - The tendering of the Feedermain in this section was delayed due to a large fill pile being present on and adjacent to the Ontario Realty Corporation corridor where the Feedermain was to be installed.

- Increase in Engineering Fees - the original assignment was divided into two separate Engineering assignments. AECOM (formerly Earthtech Canada) was awarded the Mississauga section of the Feedermain. The MMM Group Limited was awarded the Brampton section of the Feedermain. Due to increases in the overall duration of the project and multiple tenders being required as noted above, additional consulting fees are being requested as part of the request for overall project budget funds.

3. Procurement Process

Tender Document 2010-645T for the construction of the Beckett Sproule Feedermain, Contract 6 was issued on October 6, 2010. Tenders were advertised in the Daily Commercial News. Contract drawings and tender documents were obtained by 22 firms. During the tender period, there were four addenda issued. Ten vendors, who obtained plans, attended the mandatory site visit on October 21, 2010 and were eligible to submit a tender. Tender Opening results as per Appendix I.

The low vendor, Pachino Construction Company Limited, has successfully completed projects for the Regions of Peel, York and other municipalities. Staff and their consultants contacted their references and have received favourable reports on the performance and execution of their work accordingly.

FINANCIAL IMPLICATIONS

It is proposed that the budget for Capital Project 04-1205 be increased from $104,186,000 to $109,781,016, an increase of $5,595,016 financed from D.C. South Peel Water Reserve R3520 in the amount of $1,656,125 and from York Region in the amount of $3,938,891 based on the agreed cost split in accordance with the York-Peel Water Servicing Agreement. York Region staff and Management Committee have agreed upon budget increases as per the York/Peel agreement.

The detailed breakdown of the increase is as below:

Additional Budget required to award Contract 6	$2,715,632
Internal Charges including property and easement acquisition	$1,829,384
Additional Engineering Fees (AECOM, MMM Group and Geotechnical Material Testing)	$1,050,000
Required Additional Funding	**$5,595,016**

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Dan Labrecque
Commissioner of Public Works

Approved for Submission:

D. Szwarc, Chief Administrative Officer

For further information regarding this report, please contact Anthony Parente at extension 7833 or via email at anthony.parente@peelregion.ca

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APPENDIX I

TENDER OPENING
The following bids closed at 12:00 p.m. on Wednesday, November 4, 2010. Tenders were opened starting at 12:15 p.m. by the Region of Peel and read publicly.

Contractor	Total Bid	Adjusted Bid
Pachino Construction Company Ltd.	$24,715,605	$24,776,105
C&M McNally Engineering	$27,125,948	-
Drainstar Contracting Ltd.	$28,217,740	$27,127,740
Technicore Underground Inc.	$28,246,320	-
McNally Construction	$29,895,670	$29,964,070

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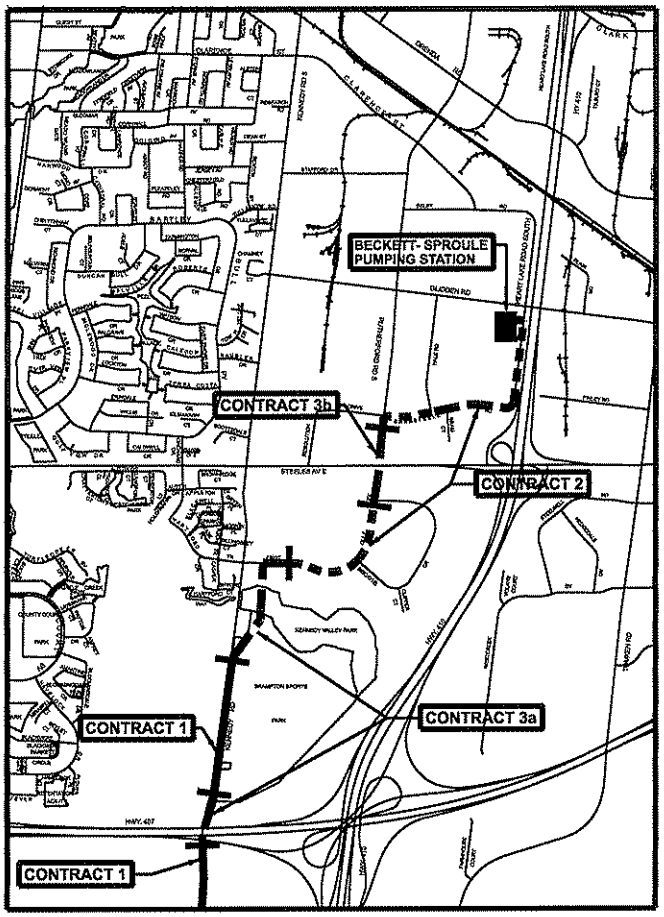

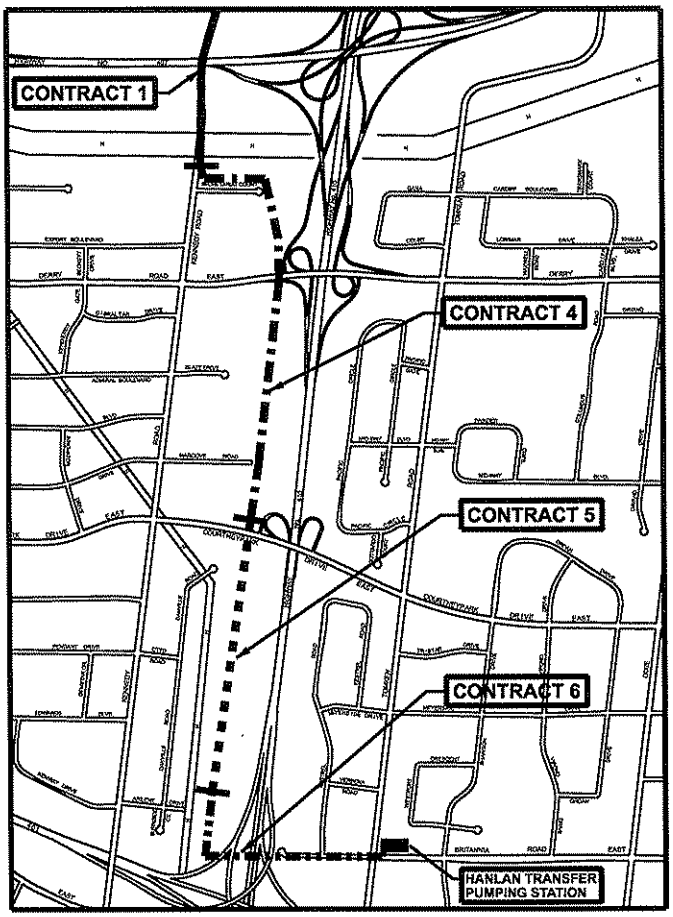

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