

DATE: June 28, 2011

REPORT TITLE: **WATERMAIN REPLACEMENT, ASSIGNMENT M
CAPITAL PROJECT 11-1345
DOCUMENT 2011-149T
CITY OF MISSISSAUGA, WARD 7**

FROM: Dan Labrecque, Commissioner of Public Works

RECOMMENDATION

That the contract (Document 2011-149T) for the construction of Watermain Replacement, Assignment M, City of Mississauga be awarded to Calder Hill Contracting Limited in the estimated amount of \$1,537,400.10, exclusive of applicable taxes, under Capital Project 11-1345, in accordance with Purchasing By-Law 63-2008.

REPORT HIGHLIGHTS

- A request for Tender 2011-149T was issued for the construction of watermain replacements, assignment M, in the City of Mississauga and was subsequently opened on June 22, 2011.
- A thorough review of all submissions was undertaken by the Region's Capital Works and Purchasing Staff.
- The lowest bid submitted was an unbalanced bid. Due to staff concerns and the associated risks of the proposed works, staff is recommending award of the contract to the second lowest bidder, Calder Hill Contracting Limited.

DISCUSSION

1. Background

On behalf of Public Works, Water Division, Purchasing issued a Request for Tender, document 2011-149T, on June 8, 2011. This document was advertised in the Daily Commercial News, as well as on the Region's Internet site and the Ontario Public Buyers Association Internet site, on the issue date of the document. There were no addenda issued during the tender period.

Assignment M is for critical sections of watermain replacements and upgrades in the Mississauga City Centre area. Elm Drive West from Hurontario Street to Kariya Drive has been identified as needing to be completed by September 1, 2011, as the City of Mississauga has scheduled the street to be resurfaced directly following the completion of the watermain replacement. The remaining streets are Enfield Place from Kariya Drive to

June 28, 2011
WATERMAIN REPLACEMENT, ASSIGNMENT M
CAPITAL PROJECT 11-1345
DOCUMENT 2011-149T
CITY OF MISSISSAUGA, WARD 7

Kariya Drive, Matthews Gate from Enfield Place to Hurontario Street, Sussex Gate from Enfield Place to Burnhamthorpe Road West, and Targa Road from Old Pheasant Road to the end of the cul-de-sac as shown in Appendix I.

2. Procurement Process

The document was issued to 19 vendors with the following bids closing at **12:00 NOON** on Wednesday, June 22, 2011, and were subsequently opened by the Document Opening Committee at 12:15 p.m. in the Mississauga Room, 10 Peel Centre Drive, Suite A, Brampton.

VENDOR	AMOUNT AS READ OUT	ADJUSTED AMOUNT
GIO Contracting	\$1,138,966.60	1,138,026.46 unbalanced
Calder Hill Contracting Limited	\$1,537,400.10	
Rymall Construction	\$1,568,400.00	\$1,579,888.00
FCM Construction	\$1,622,000.00	\$1,622,012.34
Lancorp Construction	\$1,636,177.00	Incomplete
Avertex Utility Solutions Inc.	\$1,690,000.00	
Sam Rabito Construction Ltd.	\$1,922,627.25	
Co-x-co	\$2,047,792.50	
Comer Group	\$2,352,514.45	\$2,357,510.45

3. Analysis

Purchasing and Public Works staff have reviewed all nine vendor submissions and have deemed seven in compliance; GIO Contracting's bid was found to be unbalanced and Lancorp Construction's bid was incomplete. GIO Contracting submitted a complete tender, however, by using \$0.01 and \$1.00 on several items in Part B – Restoration, and \$1.00 items for the bulk of Part D – Provisional Items, their bid was deemed unbalanced. There has been no discussion with GIO Contracting with respect to their low bid, however, based on confirmed recent project prices and competitiveness of the second and third bidders, they do not have sufficient funds in their bid for restoration and provisional items should these additional works be required, as part of the contract. Peel has not worked with this vendor before and we have rejected past bids where this type of unbalanced bidding has occurred. GIO Contracting prices do not reflect a realistic breakdown for the costs of these portions of works. Being such a high profile area within the City of Mississauga, GIO Contracting do not have sufficient funds to provide the level of restoration and provisional allowances to address various concerns by residents, businesses, including Peel's and the City of Mississauga's requirements.

FINANCIAL IMPLICATIONS

Sufficient funding is available under Capital Project 11-1345 to finance the contract award of \$1.54 million.

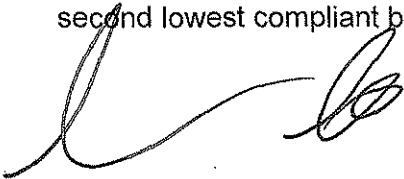
RW-DO-3-


June 28, 2011
WATERMAIN REPLACEMENT, ASSIGNMENT M
CAPITAL PROJECT 11-1345
DOCUMENT 2011-149T
CITY OF MISSISSAUGA, WARD 7

CONCLUSION


Therefore the recommendation is that GIO Contracting's bid be considered as unbalanced and rejected per Part 3 - Instruction to Bidders.

Under Section 15 - Agencies Rights we would recommend that the contract be awarded to the second lowest compliant bidder, being Calder Hill Contracting.





 Dan Labrecque
Commissioner of Public Works

Approved for Submission:



D. Szwarc, Chief Administrative Officer

 For further information regarding this report, please contact Darrin Dodds, P. Eng. at extension 7823 or via email at darrin.dodds@peelregion.ca

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

APPENDIX I

June 29th, 2011



**WATERMAIN REPLACEMENT PROGRAM
CAPITAL PROJECT 11-1345 (Assignment 'M')
DOCUMENT 2011-149T
CITY OF MISSISSAUGA**

