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CONTRACT AWARD FOR EXCAVATION AND FOUNDATIONS CONSTRUCTION OF THE STAGE 3 INFLUENT PUMPING STATION AS PART OF STAGE 3 PROCESS EXPANSION PROJECTS AT DUFFIN CREEK WATER POLLUTION CONTROL PLANT, PROJECT 73720

The Environmental Services Committee recommends the adoption of the recommendation contained in the following report dated January 24, 2012, from the Commissioner of Environmental Services.

1. RECOMMENDATION

It is recommended that:

1. Kenaidan Construction Limited be engaged to undertake the excavation and foundations construction of the Duffin Creek Stage 3 Influent Pumping Station as outlined in this report, at a fee of \$7,757,000, excluding taxes.

2. PURPOSE

This report seeks Council authorization to retain construction services related to the Excavation and Foundations for the Stage 3 Influent Pumping Station. The Purchasing By-law requires Council authorization to award a Request for Proposal over \$500,000, or when the recommended proponent does not have the lowest cost. In this instance, the recommended proponent submitted a responsive bid greater than \$500,000.

3. BACKGROUND

The York-Durham Sewage System is the main sewer collection system that is used to manage sewage from York and Durham Regions to the Duffin Creek Water Pollution Control Plant for treatment prior to discharge to Lake Ontario. Recent hydraulic studies performed on the York-Durham Sewage System and design of the new Southeast Collector Trunk Sewer dictate that sewage levels in the York-Durham Sewage System need to be lowered to facilitate construction and to mitigate risks as follows:

- To facilitate the new Southeast Collector connection to the existing York-Durham Sewage System currently scheduled for 2014
- To prevent surcharging of the new and existing Southeast Collector sewers, at sewage flows up to the capacity of the existing Primary Trunk sewer, and therefore, maintenance free headspace in the Southeast Collector sewers for successful operation of the Southeast Collector odour control facilities

The Region commissioned an independent consultant, Team Duffin to undertake engineering and construction administration services for a new pumping station (Duffin Creek Water Pollution Control Plant Stage 3 Influent Pumping Station), which is intended to operate in parallel with Stages 1 and 2 pumping station upgrades to convey sewage to the Stage 3 Liquids Process Expansion. Operating both these pumping stations on a continuous basis enables permanent removal of surcharge conditions.

Currently, the detailed design of the Stage 3 Influent Pumping Station is in the final stages. To meet schedule constraints, the New Stage 3 Influent Pumping Station must be operational prior to the final connection of the Southeast Collector into the existing, flowing Primary Trunk Sewer; therefore staff issued a Request for Proposal for the Stage 3 Influent Pumping Station Excavation and Foundations construction. It is estimated that approximately eight to ten months is required for the excavation portion prior to the actual construction.

4. ANALYSIS AND OPTIONS

Excavation and Foundations contract required to be awarded imminently

To meet the aggressive schedule for delivery of the Stage 3 Influent Pumping Station, staff has been pro-active in issuing, in accordance with the Purchasing By-law, a Request for Proposal of first construction contract i.e. Stage 3 Influent Pumping Station – Excavation and Foundations Contract, for bid. The proposal process was selected rather than the tender process to allow staff and consultants to explore all the construction options available to the Region in an effort to reduce time and cost. In accordance with the Region's Purchasing By-law, the excavation and support mechanisms require highly specialized engineering and construction methods.

Nine alternate bids were received from five companies

In accordance with the Region's Purchasing By-law, a Request for Proposal P-11-116 was advertised in the *Daily Commercial News* and electronically on *Biddingo.com*.

In response to the advertisement, a total of nine alternate bids were received from five companies:

- 3 from North America Construction
- 3 from Ambler and Associates
- 1 from Kenaidan Construction Limited
- 1 from Graham Construction
- 1 from Applus Construction

The evaluation of the submitted proposals is complete and a report has been prepared by Supplies and Services. Award now requires Council approval.

Only the financial envelopes for those alternatives with passing scores after the Technical Evaluation were opened with the following results:

Table 1
Summary of Technical Evaluations for Stage 3 Influent Pumping Station Project –
Excavations and Foundations Contract

Name	Total Score	Bid Value	Rank
Kenaidan Construction Limited	80.56	\$7,757,000	1
Graham Construction	73.58	\$10,831,000	2
North America Construction 1	73.15	\$8,506,115	3
North America Construction 2	71.95	\$8,479,089	4
North America Construction 3	71.25	\$9,579,280	5

As can be seen in Table 1, Kenaidan's bid was ranked first based on the bid's total score and low price. It is recommended that Kenaidan be awarded the contract as it represents the best value to the Region.

Link to Key Council-approved Plans

The construction of infrastructure to accommodate growth in York Region is a major consideration in all York Region's plans and visions for the future. Improvements to the Region's wastewater infrastructure aligns with the Regional Official Plan and the 2011 to 2015 Strategic Plan. Construction activities currently committed at Duffin Creek Water Pollution Control Plant and the Southeast Collector will continue to deliver and sustain the Region's critical infrastructure.

5. FINANCIAL IMPLICATIONS

The conceptual design cost estimate for the overall construction of the Stage 3 Influent Pumping Station is \$55,000,000. This amount is included under the Total Project Budget Authority in the approved 2012 10-year Capital Plan and will be procured in 2012 through multiple contracts in accordance with the Region's Purchasing By-law as outlined in Table 2 below.

Table 2
Estimated Costs for Stage 3 Influent Pumping Station Construction Contracts

Description	Cost Estimate
Excavation and Foundations Contract	\$7,757,000
Super Structure Main Contract	\$43,500,000
Pre-Purchase 4160V Switchgear and Control Systems	\$1,200,000
Pre-Purchase Biofilter Equipment	\$1,000,000
Pre-Purchase Standby Generator	\$1,500,000
Total	\$55,000,000

Costs Shared with Durham Region

Costs for refurbishment of the existing facility and the Stage 3 Influent Pumping Station will be shared with the co-owner, Durham Region. The exact cost sharing split is currently being negotiated, but is likely to be approximately 80% York, 20% Durham in line with the proportionate usage of the overall facility.

6. LOCAL MUNICIPAL IMPACT

Stage 3 Process Expansion Projects provides the required capacity for approved growth. Excellent effluent quality discharged from the water pollution control plant protects Lake Ontario, which is the primary source of drinking water for these same residents.

7. CONCLUSION

The new Southeast Collector Trunk Sewer requires that the Stage 3 Influent Pumping Station project be substantially completed prior to the end of 2013. To meet this strict delivery schedule, timely award of this construction contract will facilitate timely completion of the work.

For more information on this report, please contact Daniel Kostopoulos, Director, Capital Planning and Delivery, Environmental Services at (905) 830-4444. Ext. 5070.