



CITY OF HAMILTON

**PUBLIC WORKS DEPARTMENT
Engineering Services Division**

TO: Chair and Members Public Works Committee	WARD(S) AFFECTED: CITY WIDE
COMMITTEE DATE: January 13, 2014	
SUBJECT/REPORT NO: Mainline Sewer Rehabilitation Contract Extension (C11-102-10) (PW14004) - (City Wide)	
SUBMITTED BY: Gerry Davis, CMA General Manager Public Works Department	PREPARED BY: Erika Waite (905) 546-2424, Extension 6397
SIGNATURE:	

RECOMMENDATION

- (a) That Contract # C11-102-10 be extended to December 31, 2014 under current contract item prices;
- (b) That funding allocation for Wastewater System Lining identified in the 2014 rates budget be allocated in the amounts of \$4,320,000 from Account No. 5161460390, \$248,758 from Account No. 5161260820, \$227,000 from Account No. 5161460820, and \$854,000 from Account No. 5181461450, in the total amount of \$5,649,758 be applied to the contract to ensure completion of required sewer rehabilitation work for capital coordination projects in 2014 and 2015 and structural integrity of sewers City wide.

EXECUTIVE SUMMARY

Insituform Technologies Ltd. was awarded a three-year term Contract # C11-102-10 in March 2011 for Cleaning, Inspection and Cured-In-Place-Pipe (CIPP) Structural Rehabilitation of Existing Sewers in the City of Hamilton. In order to further improve cost and time effectiveness of the program delivery and field activities of CIPP mainline sewer and lateral sewer rehabilitation, significant changes to the RFP documents and contract administration are being developed and reviewed for the next tendering phase. These changes will take considerable time to circulate and finalize and cannot be done

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in time to ensure the completion of the required rehabilitation works prior to commencement of 2014 and 2015 co-ordinated capital projects, including proposed Neighbourhood Asset Preservation Resurfacing projects. The changes aim to improve coordination between mainline and sewer lateral rehabilitation programs and allow for more mainline sewers and laterals to be rehabilitated within approved budgets.

Extension of this contract is more advantageous than tendering a one-year contract by reducing staff time to prepare and tender an additional contract, as well as reducing the delays of commencing work in the field. Extending the current contract will ensure priority sewer lining work is completed prior to 2014 coordinated capital projects. Issuing a one-year contract to bridge the gap would require additional time to tender and would push back commencement and completion of several capital roads projects.

Alternatives for Consideration - See Page 3

FINANCIAL / STAFFING / LEGAL IMPLICATIONS

Financial: Council approved funding is available in Capital Project ID's:
5161460390 (Wastewater System Lining),
5161260820 (Open-cut repairs for CIPP program),
5161460820 (Open-cut repairs for CIPP program),
5181461450 (Satellite City Trunk Sewer Rehabilitation)

Staffing: N/A

Legal: N/A

HISTORICAL BACKGROUND

Mainline sewer rehabilitation and lateral sewer rehabilitation programs have been running independently of each other over the past fifteen years, completing approximately 300km of mainline sewer lining and 3,000 sewer laterals. However, reductions in cost through reductions in work activities can be realized by better coordinating the field work between the two programs, thereby increasing the volume of work within the approved budgets. These changes need to be made at the contractual level before efficiencies can be realized in the field.

It is recommended that the current mainline sewer rehabilitation contract remain effective for the 2014 construction season to ensure subsurface works are completed on time, especially in regard to prioritized coordinated capital projects. During this time, the new RFP will be finalized and tendered for commencement of work at the beginning of 2015.

POLICY IMPLICATIONS/LEGISLATED REQUIREMENTS

The recommendations are compliant with the City's Purchasing Policy, Non-Competitive Process; Council approval is required for transactions in excess of \$250,000.

RELEVANT CONSULTATION

Public Works Department, Engineering Services Division, Asset Management Section
Corporate Services Department, Financial Services Division, Procurement Section

ANALYSIS / RATIONALE FOR RECOMMENDATION

Approval of the recommendations by Council will authorize staff to proceed with extending the existing contract to December 31st, 2014 with the total funding of \$5,649,758.

ALTERNATIVES FOR CONSIDERATION

The alternative would be to not extend the existing contract. The impact to not completing the required lining through the contract extension will delay co-ordinated capital works including Neighbourhood Asset Preservation Resurfacing. A short retendering of a one-year term under the current rules may cost more than the extension of the current prices and delay works on other co-ordinated capital projects.

ALIGNMENT TO THE 2012 - 2015 STRATEGIC PLAN

Strategic Priority #1

A Prosperous & Healthy Community

WE enhance our image, economy and well-being by demonstrating that Hamilton is a great place to live, work, play and learn.

Strategic Objective

- 1.2 Continue to prioritize capital infrastructure projects to support managed growth and optimize community benefit.
- 1.5 Support the development and implementation of neighbourhood and City wide strategies that will improve the health and well-being of residents.
- 1.6 Enhance Overall Sustainability (financial, economic, social and environmental).

Strategic Priority #2

Valued & Sustainable Services

WE deliver high quality services that meet citizen needs and expectations, in a cost effective and responsible manner.

Strategic Objective

- 2.1 Implement processes to improve services, leverage technology and validate cost effectiveness and efficiencies across the Corporation.
- 2.3 Enhance customer service satisfaction.

Strategic Priority #3

Leadership & Governance

WE work together to ensure we are a government that is respectful towards each other and that the community has confidence and trust in.

Strategic Objective

3.4 Enhance opportunities for administrative and operational efficiencies.

APPENDICES / SCHEDULES

None