

**3. IMPROVEMENT TO WATER DISTRIBUTION SYSTEM
VARIOUS LOCATIONS, CONTRACT NO. ETL00-3027
(REJECTION OF CONTRACT AWARD)**

COMMITTEE RECOMMENDATION

That Council approve the rejection of all bids received pursuant to Contract No. ETL00-3027, Improvement to Water Distribution System, Various Locations.

DOCUMENTATION

1. Environment and Transportation Commissioner's report dated 31 Jul 00 is immediately attached.

REGION OF OTTAWA-CARLETON
RÉGION D'OTTAWA-CARLETON

REPORT
RAPPORT

Our File/N/Réf. **50 18-99-0023-U**
 Your File/V/Réf.

DATE 31 July 2000

TO/DEST. A/Co-ordinator
 Corporate Services and Economic Development Committee

FROM/EXP. Environment and Transportation Commissioner

SUBJECT/OBJET **IMPROVEMENT TO WATER DISTRIBUTION SYSTEM,
 VARIOUS LOCATIONS, CONTRACT NO. ETL00-3027
 (REJECTION OF CONTRACT AWARD)**

DEPARTMENTAL RECOMMENDATION

That the Corporate Services and Economic Development Committee and Council approve the rejection of all bids received pursuant to Contract No. ETL00-3027, Improvement to Water Distribution System, Various Locations.

BACKGROUND

This contract consists of a package of five small-scale projects within the City of Ottawa that were identified in the 1998 Water Distribution System Rehabilitation Program. The proposed work includes replacement of existing watermains and closing the loop of dead-ended watermains to improve water quality. Due to the nature and size of the individual project it was decided to lump these projects into one large contract.

These projects are as follows:

1. **Scott Street from Oakdale Avenue to Island Park Drive**

The existing water services in this section run through the backyard of the property owners on Scott Street. It is very difficult to maintain these services during the winter months. The proposed work includes installation of a new 203 mm diameter watermain in Scott Street from Oakdale Avenue to Island Park Drive and to provide water services to these properties from the Scott Street watermain.

2. Tillbury Avenue from Broadview Avenue to Fraser Avenue

The proposed work at this location includes installation of a new 203 mm diameter watermain in Tillbury Avenue from Broadview Avenue to Fraser Avenue to eliminate the existing dead-ended watermain.

3. Kilborn Place from Kilborn Avenue to Bank Street

The proposed work includes replacement of an existing 50 year old sub-standard watermain and services. The depth of cover is less than 1.5 metres and has low flow capability. The street has a history of broken services and the watermain is approaching the end of their structural design life.

4. Russell Road at Southvale Crescent

The proposed work at this location includes the installation of a 152 mm diameter watermain to eliminate the dead-ended watermain.

5. Electric Street from Crichton Street to MacKay Street

The proposed work includes replacement of an existing sub-standard 127 mm watermain with 152 mm diameter watermain. The street has a history of broken services and watermain is approaching the end of their structural design life.

Tenders for Improvements to water distribution system, Contract No. ETL00-3027, closed on 20 June 2000. Four bids, including G.S.T., were received as follows:

| <u>Contractor</u> | <u>Total Contract Price</u> |
|------------------------------------------------|-----------------------------|
| E. George Brown Excavating (1992) Ltd., Nepean | \$526,996.40 |
| K.C.E. Construction Ltd., Gloucester | \$743,366.07 |
| C.A.C.E. Construction Ltd., Gloucester | \$761,468.13 |
| Graydex Ottawa Inc., Nepean | \$843,612.61 |
| Departmental Estimate (including G.S.T.) | \$539,237.80 |

E. George Brown Excavating (1992) Ltd., was the lowest bidder and is within the range of the Departmental Estimate but, due to an irregularity, the bid is not open to acceptance by the Region. The E. George Brown Excavating (1992) Ltd. tender did not contain an Agreement to bond as required by the tender documents. As a result, the tender was incomplete and warrants an automatic rejection as dictated by the Region's Irregular Tender Guidelines.

All the other bids received are 42% to 61% higher than the Departmental Estimate. An analysis of the bids indicated that three major items exceeded the Departmental Estimate. These were costs for installation of watermain, excavation and backfill for water services and pavement restoration.

It appears that there is a general trend reflecting an escalation in construction costs significantly higher than the rate of inflation, as well as reduced number of bids received, likely due to current economic growth rate. During previous years the Department has typically received five to eight bids for similar projects.

In the opinion of the Department, all eligible bids received for this project are unusually high and do not represent a good value to the Corporation and accordingly, the project will be re-tendered next year.

The works could not be completed this year by re-tendering as there is insufficient time left in the construction season.

CONSULTATION

The watermain portion of the project is a Schedule 'A' activity under the Class EA and is therefore approved. Residents within the proposed construction limits are advised prior to the commencement of the construction work.

*Approved by
M.J.E. Sheflin, P.Eng.*

SPH/jw

SUPPLY MANAGEMENT DIVISION

I concur,

*Jeffrey Byrne
on behalf of GlenFord*