

NO: R241

COUNCIL DATE: November 7, 2016

REGULAR COUNCIL

TO: **Mayor & Council**

DATE: **November 2, 2016**

FROM: **General Manager, Engineering**

FILE: **2320-20 (Sewer
Inspection)**

SUBJECT: **Award of Contract No. 1220-040-2016-102
Sanitary Sewer Video Inspection Program**

RECOMMENDATION

The Engineering Department recommends that Council:

1. Award Contract 1220-040-2016-102 to Mar-Tech Underground Services Ltd. in the amount of \$478,297.63, including applicable taxes, to carry out the Sanitary Sewer Video Inspection Program at the Term 1 locations illustrated in Appendix "I", with options in favour of the City to extend the contract for three additional one-year terms to complete the same work for areas identified as Terms 2 to 4 in Appendix "I" for a total of four years at a cost of \$1,908,861.73;
2. Set the four-year expenditure authorization limit for Contract 1220-040-2016-102 at \$2,100,000.00 including applicable taxes and contingency; and
3. Authorize the General Manager, Engineering to execute Contract 1220-040-2016-102.

SCOPE OF WORK

This annual preventative maintenance services contract involves the supply and delivery of labour and equipment for the inspection of the City's sanitary sewer system. The specific inspection work required is to identify structural, operational and maintenance defects and deficiencies that can adversely impact the operations of the City's sewer system, resulting in sewer back-ups and related liability to the City. The majority of the areas included in the contract consist of older pipes that have a higher frequency of failure. The annual contract work is necessary to ensure the sanitary sewer system is operating efficiently to reduce the risk of emergency responses and to extend the life of the system by remedying the observed defects and deficiencies.

The contract work involves video inspections of sanitary sewer mains and services connections, manhole inspections, smoke testing, and sewer line flushing and cleaning for a period of one year. The contract includes an option for the City to extend the contract for three (3) additional one (1) year periods at the City's sole discretion. Staff will consider the award of these 1-year extensions within the expenditure authority, as recommended, subject to satisfactory performance of the contractor and any other relevant considerations.

RFQ RESULTS

In accordance with the Purchase and Expenditure Authorization By-law, a Request for Quotations (RFQ) was posted on the BC Bid and City of Surrey websites. Staff also directly notified contractors who were viewed as having the necessary expertise and equipment. Quotations for the subject contract were opened on October 7, 2016, with the following results:

	Contractor	1 st year Quotation Including Taxes (corrected)	2 nd year Quotation Including Taxes (corrected)	3 rd year Quotation Including Taxes (corrected)	4 th year Quotation Including Taxes (corrected)	4 Year Total Including Taxes (as submitted)	Corrected 4 Year Total Including Taxes
1	Mar-Tech Underground Services Ltd.	\$478,297.63	\$469,952.24	\$448,611.14	\$512,000.73	\$1,874,054.23	\$1,908,861.73
2	Superior City Services Ltd.	\$553,291.73	\$522,131.66	\$491,042.74	\$538,694.36	\$2,105,160.49	No Change
3	Dougness Holdings Ltd.	\$529,375.61	\$538,760.51	\$612,587.96	\$663,299.81	\$2,331,311.60	\$2,344,023.89
4	ABC Pipe Cleaning Services Ltd.	\$566,947.50	\$562,968.00	\$601,639.50	\$656,365.50	\$2,298,145.50	\$2,387,920.50

The City's pre-quotation estimate was \$1,900,000.00 for the four-year total, including applicable taxes.

EVALUATION

The RFQ evaluation team, including staff from both the Engineering Department and Finance & Technology Department, reviewed the quotations for accuracy and completeness. Addition and multiplication errors as well as missing totals were found, and corrections were made to the quotations as indicated below:

- Mar-Tech Underground Services Ltd.'s quote was missing the amount for 510 manhole inspections at \$65.00 each, plus GST, for a total of \$34,807.50;
- Dougness Holdings Ltd.'s quote had multiple addition errors that were corrected for a total change of \$12,712.29; and
- ABC Pipe Cleaning Services Ltd.'s quote had a multiplication error of \$9,000 and a missing amount for 510 manhole inspections at \$150 each, plus GST, for a total of \$89,775.00.

No bid bond was required for this quotation. All submissions were signed on the Quotation Form and Summary Sheet of the Schedule of Quantities and Prices.

Mar-Tech Underground Services Ltd. submitted the lowest quotation for the four-year accumulative total and was fully compliant with the contract specifications. The City completed a review of references provided by Mar-Tech Underground Services Ltd. for video inspection work. The references indicate Mar-Tech Underground Services Ltd.'s past performance on similar work has been satisfactory. They have no outstanding legal claims against the City. It is recommended that Mar-Tech Underground Services Ltd. be awarded Contract No. 1220-040-2016-102.

SUSTAINABILITY CONSIDERATIONS

This contract supports the objectives of the City's Sustainability Charter. In particular, the investigation of wastewater sewer mains, service connections and manholes relates to the Sustainability Charter theme of Infrastructure by ensuring reliable on-going operation of the subject infrastructure and minimizing operational and maintenance costs associated with the City's infrastructure. Specifically, this contract supports the following Desired Outcomes:

- DO1: City facilities and infrastructure systems are well managed, adaptable and long lasting, and are effectively integrated into regional systems; and
- SD1: Proactively manage community assets to maintain them over the long-term in a state of good repair.

FUNDING

Funding for this contract is available in the approved Utility Operating Budget.

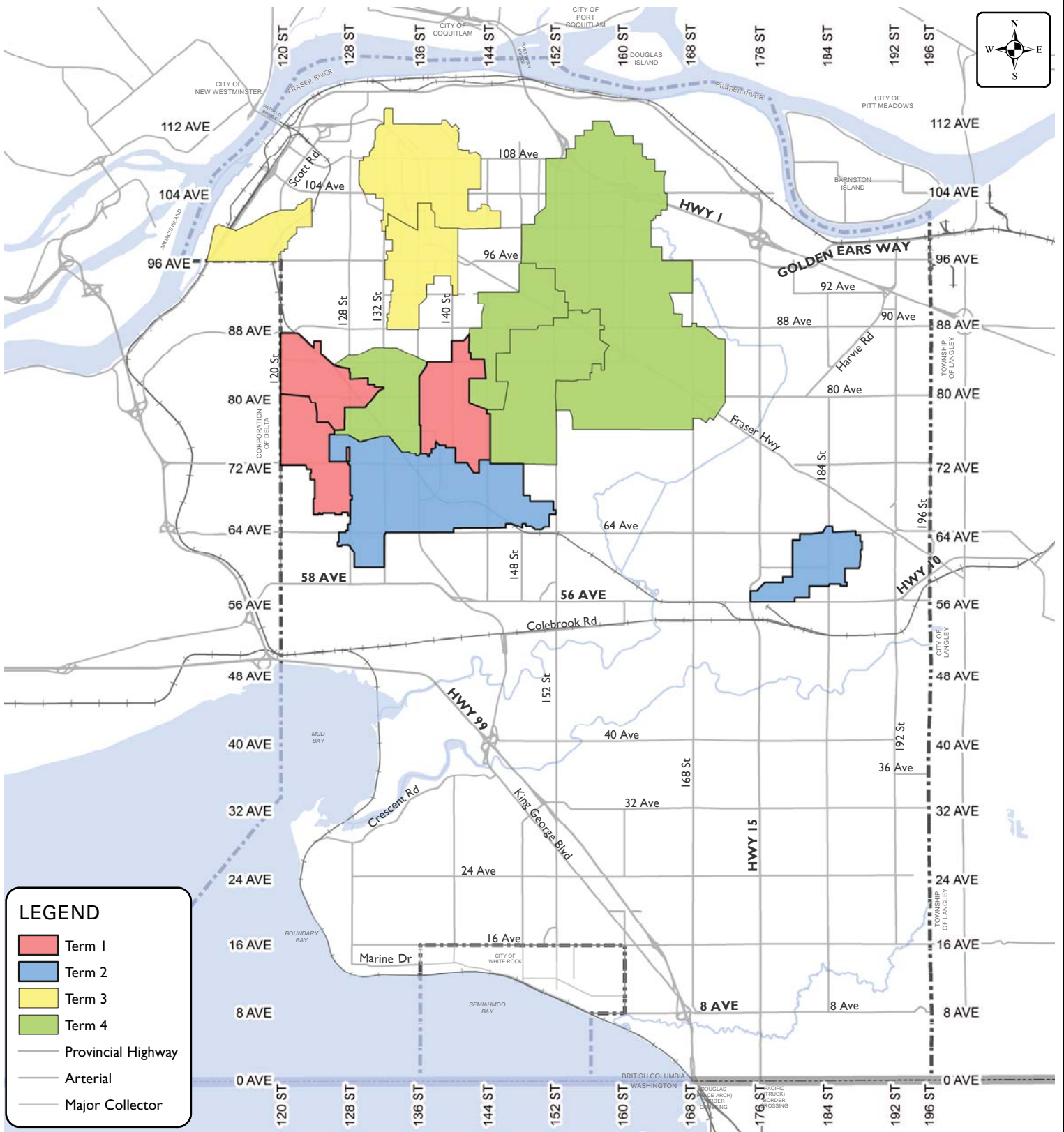
Fraser Smith, P.Eng., MBA
General Manager, Engineering

RAC/TA/clr/ras

Appendix "I" - Project Location Overview

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APPENDIX "I"



Produced by GIS Section: 27-Oct-2016, C9W

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Four Term Sanitary Sewer Video Inspection Program

ENGINEERING DEPARTMENT

The data provided is compiled from various sources and IS NOT warranted as to its accuracy or sufficiency by the City of Surrey. This information is provided for information and convenience purposes only.

Lot sizes, Legal descriptions and encumbrances must be confirmed at the Land Title Office.

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