

NO: R211

COUNCIL DATE: October 1, 2018

REGULAR COUNCIL

TO: **Mayor and Council**

DATE: **September 27, 2018**

FROM: **General Manager, Engineering**

FILE: **2320-20 (I&I)**

SUBJECT: **Award of Contract No. 1220-040-2018-083
Wastewater Sewer - Inflow and Infiltration Investigation Program**

RECOMMENDATION

The Engineering Department recommends that Council:

1. Award Contract No. 1220-040-2018-083 to Mar-Tech Underground Services Ltd. for annual Wastewater Sewer - Inflow and Infiltration Investigation Services at the Term 1 locations illustrated in Appendix "I" for a one year period, with two additional one-year terms at the City's option, for an annual cost in year one of in \$398,253.00, (including GST);
2. Approve the option to extend Contract No. 1220-040-2018-083 for two additional one-year terms at the City's discretion to provide Wastewater Sewer – Inflow and Infiltration Investigation Services at the locations identified as Term 2 and Term 3 in Appendix "I". The annual cost to provide this service in year two is \$433,970.00 and in year 3 is \$525,030. The cumulative three year cost for Contract No. 1220-040-2018-083 is \$1,357,252.29;
3. Set the three-year expenditure authorization limit for Contract No. 1220-040-2018-083 at \$1,500,000.00 (including GST and contingency);
4. Authorize the General Manager, Engineering to execute Contract No. 1220-040-2018-083; and
5. Authorize the General Manager, Engineering to approve all extensions and change orders related to Contract No.1220-040-2018-083.

INTENT

The intent of this report is to seek Council's approval to award Contract 1220-040-2018-083 to Mar-Tech Underground Services Ltd. ("Mar-Tech") for a one-year period. The contract includes options for the City to extend the contract for two additional one-year terms at the City's sole discretion. Staff will consider the award of these one-year extensions, subject to satisfactory performance of the contractor and any other relevant considerations.

BACKGROUND

This annual preventative maintenance services contract involves the supply and delivery of labour and equipment for the inspection and testing of the City's wastewater sewer system as a means of identifying surface and groundwater inflow and infiltration sources. The inflow and infiltration sources can adversely impact the capacity of the City's sewer lines, resulting in sewer back-ups and related liability to the City. The process also allows cross-connections between the storm sewer system and wastewater sewer system to be identified and corrected. In addition, this contract will provide a means of identifying the pipe condition and rate of deterioration for the City's wastewater collection infrastructure. This will assist the City in meeting its obligation under the Regional Liquid Waste Management Plan.

The contract work involves video inspections of wastewater mains and service connections, manhole inspections, smoke testing, and sewer line flushing and cleaning for a one year period with the option for the City to extend the contract for two additional one-year periods at the City's sole discretion and subject to satisfactory performance by Mar-Tech.

DISCUSSION

In accordance with the Purchase and Expenditure Authorization By-law, a Request for Quotations ("RFQ") was posted on the BC Bid and the City of Surrey websites. Staff also directly notified contractors who were viewed by the City as having the necessary expertise and equipment. Quotations for the subject contract were opened on September 13, 2018, with the following results:

	Contractor	1st Year Quotation Including Taxes	2nd Year Quotation Including Taxes	3rd Year Quotation Including Taxes	3 Year Total Including Taxes	Corrected Amount
1	Mar-Tech Underground Services Ltd.	\$398,252.65	\$433,969.98	\$525,029.66	\$1,357,252.29	No Change
2	ABC Pipe Cleaning Services Ltd.	\$674,293.88	\$706,558.60	\$882,582.23	\$2,263,434.71	No Change

The City's pre-quotation estimate was \$1,300,000.00 for the three-year total, (including applicable taxes).

EVALUATION

The RFQ evaluation team, which included staff from the Engineering Department and the Finance Department, reviewed the quotations for accuracy and completeness. No errors were found.

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 submitted the lowest quotation for the three-year cumulative total and was fully compliant with the contract specifications. The City completed a review of references provided by Mar-Tech, and their references indicate that Mar-Tech's past performance on similar work has been satisfactory. Mar-Tech has no outstanding legal claims against the City. It is recommended that Mar-Tech Underground Services Ltd. be awarded Contract No. 1220-040-2018-083.

SUSTAINABILITY CONSIDERATIONS

This contract supports the objectives of the City's sustainability charter 2.0. In particular, the investigation of wastewater sewer mains, service connections and manholes relates to the Sustainability Charter 2.0 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 Strategic Objectives ("SO") and Desired Outcomes ("DO"):

- All Infrastructure DO1: City facilities and infrastructure systems are well managed, adaptable and long lasting, and are effectively integrated into regional systems; and
- All Infrastructure 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 2018 Utility Operating Budget.

CONCLUSION

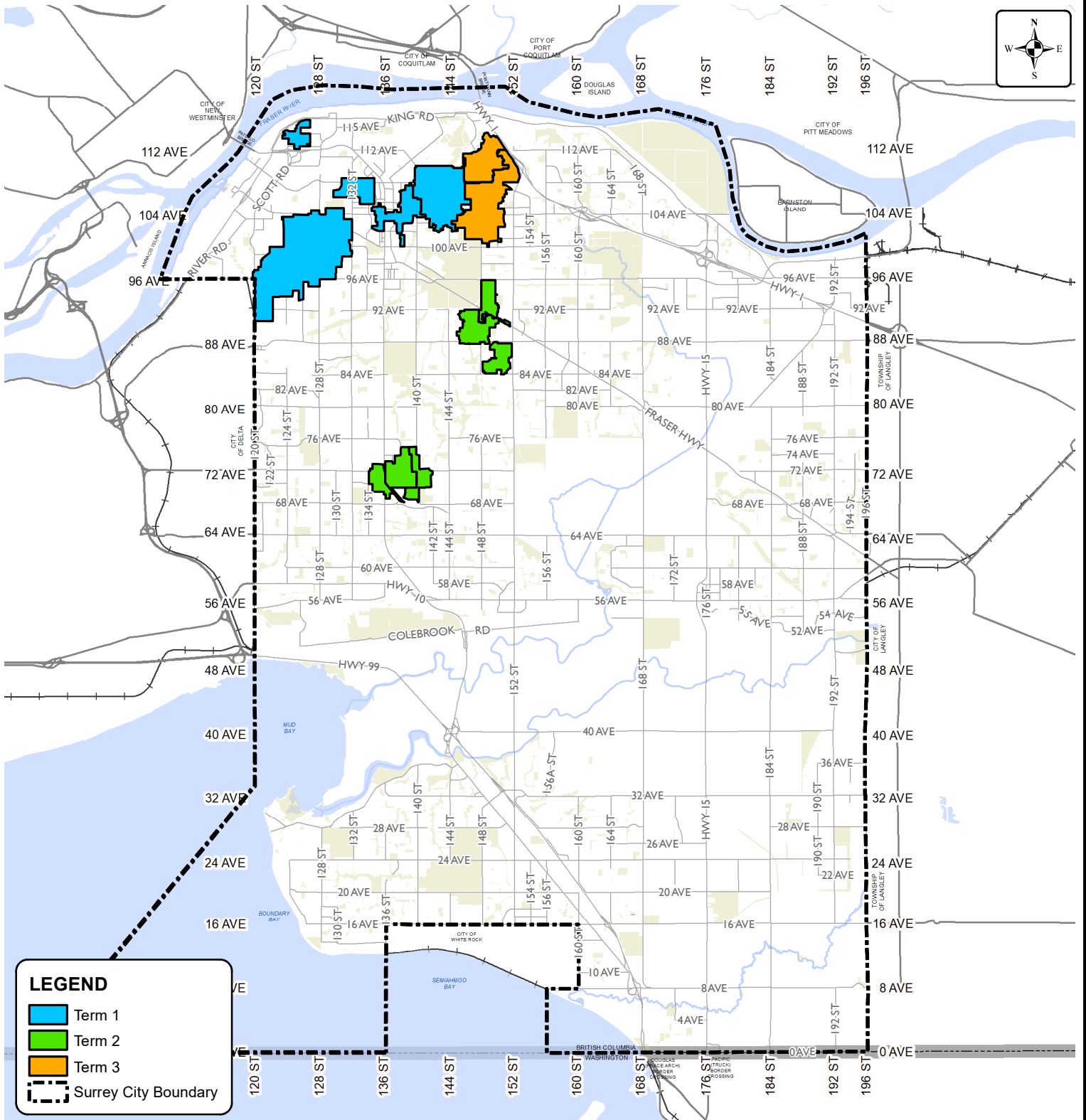
The Engineering Department recommends that Council:

1. Award Contract No. 1220-040-2018-083 to Mar-Tech Underground Services Ltd. for annual Wastewater Sewer - Inflow and Infiltration Investigation Services at the Term 1 locations illustrated in Appendix "I" for a one year period, with two additional one-year terms at the City's option, for an annual cost in year one of in \$398,253.00, (including GST);
2. Approve the option to extend Contract No. 1220-040-2018-083 for two additional one-year terms at the City's discretion to provide Wastewater Sewer - Inflow and Infiltration Investigation Services at the locations identified as Term 2 and Term 3 in Appendix "I". The annual cost to provide this service in year two is \$433,970.00 and in year 3 is \$525,030. The cumulative three year cost for Contract No. 1220-040-2018-083 is \$1,357,252.29;
3. Set the three-year expenditure authorization limit for Contract No. 1220-040-2018-083 at \$1,500,000.00 (including GST and contingency);
4. Authorize the General Manager, Engineering to execute Contract No. 1220-040-2018-083; and
5. Authorize the General Manager, Engineering to approve all extensions and change orders related to Contract No.1220-040-2018-083.

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

RK/TA/jma/ggg

Appendix "I": Project Location Overview



Produced by GIS Section: 17-Sep-2018, P205934

Scale: 1:135,000 0 1,000 M



Program Terms & Locations

ENGINEERING
DEPARTMENT