

**Minutes - Standing Policy Committee on Infrastructure Renewal and Public Works -
September 12, 2006**

REPORTS

**Minute No. 160 Award of Contract for the West End Pollution Control Centre -
Biological Nutrient Removal Upgrade
File GL-9**

STANDING COMMITTEE RECOMMENDATION:

The Standing Policy Committee on Infrastructure Renewal and Public Works concurred in the administrative recommendation, namely:

1. That a contract for Bid Opportunity No. 21-2006 be awarded to Bird Management Limited dba Bird Construction Company, the lowest evaluated responsive bidder meeting the specifications in the amount of \$25,190,105.00, GST extra as applicable.

**Minutes - Standing Policy Committee on Infrastructure Renewal and Public Works -
September 12, 2006**

DECISION MAKING HISTORY:

Moved by Councillor Thomas,

That the administrative recommendation be concurred in.

Carried

STANDING COMMITTEE DECISION:

On September 12, 2006, the Standing Policy Committee on Infrastructure Renewal and Public Works concurred in the administrative recommendation contained in the report dated September 5, 2006 with respect to the West End Water Pollution Control Centre (WEWPCC) Process Upgrading: Biological Nutrient Removal (BNR) and Disinfection System Enhancements Financial Status Report No. 6 for the period from February 1, 2006 to July 31, 2006.

**RE: AWARD OF CONTRACT FOR THE WEST END POLLUTION CONTROL CENTRE – BIOLOGICAL NUTRIENT REMOVAL UPGRADE
BID OPPORTUNITY NO. 21-2006**

FOR SUBMISSION TO: THE STANDING POLICY COMMITTEE ON INFRASTRUCTURE RENEWAL AND PUBLIC WORKS

ORIGINAL REPORT SIGNED BY: The Director of the Water and Waste Department

REPORT DATE: August 18, 2006

RECOMMENDATION(S):

That a contract for Bid Opportunity No. 21-2006 be awarded to Bird Management Limited dba Bird Construction Company, the lowest evaluated responsive bidder meeting the specifications in the amount of \$25,190,105.00, GST extra as applicable.

Report Summary

KEY ISSUES: The Standing Policy Committee on Infrastructure Renewal and Public works has the authority to approve the award of a contract that exceeds \$10,000,000.00.

IMPLICATIONS OF THE RECOMMENDATION(S):

General Implications

- None
 - For the organization overall and/or for other departments
 - For the community and/or organizations external to the City of Winnipeg
 - Involves a multi-year contract
- Comment:

Policy Implications

- No
- Yes - Comment(s)

Regulatory Implications

- None
 - Eliminates or reduces regulatory impact
 - Proposes regulatory impact
- Comment(s):

Environmental Implications

- No
- Yes - Comment(s): Biological Nutrient Reduction (BNR) at the WEWPCC will meet limits set out in Manitoba Conservation Environment Act License No.

2669ER.

Human Resources Implications

- No
- Yes - Comment(s): Additional staff will be required to operate and maintain the expanded facility.

Financial Implications

- Within approved current and/or capital budget
 - Current and/or capital budget adjustment required
- Comment: Funds for this project are included in the approved Capital Budget. However a request for additional funding has been submitted for Council consideration for upgrading at the WEWPCC in the 2007 Capital Budget. This additional funding will be required should on-going study determine that ultraviolet light disinfection at the WEWPCC is required in order to comply with Provincial License conditions.

REPORT

REASON:

The total bid amount exceeds \$10,000,000.00, therefore the award must be approved by The Standing Policy Committee on Infrastructure Renewal and Public Works pursuant to the Materials Management Policy.

HISTORY:

Funds in the amount of \$32,235,000.00 are included in the 2000 to 2006 Capital Budget for WEWPCC – Effluent Disinfection and Nutrient Removal Account Number 444 181000 200752 20330002XX and 203300030X.

DISCUSSION:

The funds allocated for this project are for both Nutrient Removal and Effluent Disinfection at the WEWPCC. This award report is for the Nutrient Removal portion of the project only and sufficient funds are available for the award of this contract. The estimated cost to carry out both projects exceeds the funding available at this time. The 2007 Capital Budget, as submitted, contains an amount of \$3,038,000 to enable the completion of both projects. At this time, the construction of the Effluent Disinfection facility has been deferred pending further study to confirm the need to implement an ultraviolet light disinfection facility at the WEWPCC. Disinfection at the WEWPCC is currently achieved for the majority of months by routing the plant effluent through polishing ponds. The effectiveness of the polishing ponds is diminished under ice cover during the winter months.

The Work to be done under this Contract shall consist of the construction of new structures and the supply of all labour, equipment, and materials required to complete the Nutrient Removal Facility at the West End Water Pollution Control Centre.

The major components of the Work are as follows:

- (a) Construction of new structures for, and supply, installation of all associated process, mechanical, and electrical systems for:
 - (i) Two Dissolved Air Flotation (DAF) thickeners
 - (ii) Two polymer makeup systems
 - (iii) One ferric chloride storage and feed systems
 - (iv) Two primary sludge fermenters
 - (v) One secondary clarifier, complete with mechanism and fibreglass dome cover
 - (vi) Odour control system

- (b) Renovation of two existing aeration tanks to reconfigure as biological nutrient removal bioreactors, including construction of a new electrical room
- (e) Replacement of the mechanisms of two existing secondary clarifiers
- (f) Upgrades and modifications to the existing electrical supply system, the distributed control system (DCS) and the Heating, Ventilation, and Air Conditioning (HVAC) systems

The Bid Opportunity closed on July 21, 2006, with bids being received as follows:

Bird Management Limited	\$25,190,105.00
dba Bird Construction Company	
PCL Constructors Canada Inc.	\$26,160,000.00*
M.D. Steele Construction Ltd.	\$26,676,282.00*

*Corrected amount due to a mathematical error

The total cost of the contract including the contract works and an allowance of 13% for Engineering will be \$28,464,819.00 which is within the budget funds provided.

The low bid is approximately 18% higher than the pre-bid estimate. The reason for the increase is as follows:

- The construction industry is very active in Manitoba at this time. The large number of concurrent major projects has resulted in labour shortages and increased labour costs. These factors coupled with increasing material and fuel costs has resulted in increased construction costs. While increased costs were anticipated based on these market conditions, sufficient allowances were not included in the pre-bid estimate.
- It became apparent during the bid period that the complex nature of this project would increase the costs of construction. Much of the work on the project involves upgrading existing facilities, working in existing process areas which must remain in operation, and considerable effort will be required to coordinate the work to meet schedule requirements.

Bird Construction Company did not initial the price change on Form B: Prices. This informality is not material and the waiving of this informality will not prejudice other bidders.

Engineering staff of this Department is satisfied that the low Bidder has the necessary resources to perform all of the work in accordance with the requirements of the specifications. The low Bidder has satisfactorily carried out previous construction works of a similar nature.

The recommended Contractor has a Certificate of Recognition provided by the Construction Safety Association of Manitoba, Certification No. 23108-05-6.

The Manager of Materials Management Branch has advised that each of the bid submissions was accompanied by a bid bond and an agreement to bond, which have been certified by the Legal Services Division.

The financial status of the Effluent Disinfection and Nutrient Removal – WEWPCC Project is as follows:

Authorized Capital		\$32,235,000.00
Amount of Previous Awards or Expenditures	\$ 920,432.00	
Amount of this Award	\$ 25,190,105.00	
Estimated Engineering Costs (EarthTech)	<u>\$ 3,274,714.00</u>	
Total Estimated Cost	\$ 29,385,251.00	<u>\$ 29,385,251.00</u>
Estimated Surplus		<u>\$ 2,849,749.00</u>

The bid recommended for acceptance is the low bid meeting all requirements of the specifications. This offer is open for acceptance until October 19, 2006.

FINANCIAL IMPACT:

The following financial impact statement for this project has been prepared in accordance with the recommendation adopted by Council on December 13, 2000.

Financial Impact Statement

Date:

August 9, 2006

Project Name:

First Year of Program 2006

THE WEST END WATER POLLUTION CONTROL CENTER - BIOLOGICAL NUTRIENT REMOVAL
UPGRADE - BID OPPORTUNITY NO. 21-2006

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Capital					
Capital Expenditures Required	\$ 4,790,615	\$ 17,755,653	\$ 5,918,551	\$ -	\$ -
Less: Existing Budgeted Costs	4,790,615	17,755,653	5,918,551	-	-
Additional Capital Budget Required	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Funding Sources:					
Debt - Internal	\$ -	\$ -	\$ -	\$ -	\$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Additional Capital Budget Required	<u>\$ -</u>				
Total Additional Debt Required	<u>\$ -</u>				
Current Expenditures/Revenues					
Direct Costs	\$ 7,195	\$ 17,987	\$ 5,996	\$ -	\$ -
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	<u>\$ 7,195</u>	<u>\$ 17,987</u>	<u>\$ 5,996</u>	<u>\$ -</u>	<u>\$ -</u>
Less: Existing Budget Amounts	7,195	17,987	5,996	-	-
Net Budget Adjustment Required	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Additional Comments: Funds for this project are included in the approved Capital Budget. The contract amount is eligible for Canadian Strategic Infrastructure Fund cost sharing of up to 50% of the contract amount, plus some Provincial cost sharing, with the remainder funded by the Environmental Reserve.					

je August 10, 2006

Maira L. Geer C.A.
Manager of Finance & Administration

IN PREPARING THIS REPORT THERE WAS:

Internal Consultation With and Concurrence By:

Corporate Services, Legal Services Division
Corporate Finance, Materials Management Branch

External Consultation With: N/A

THIS REPORT SUBMITTED BY:

Water and Waste Department
Engineering Division
Prepared by: Jackie Veilleux, P. Eng.
Processed by: Tamara Siemens/John Elias
Fax No. 986-3745
File No. S-596-C3-03

Attachment

- c: Manager of Legal Services/City Solicitor, Corporate Services Department
- Manager of Materials, Corporate Finance Department
- N. Vollrath, Finance and Administration, Water and Waste Department
- J. Elias, C.E.T., Water and Waste Department

**THE CITY OF WINNIPEG
WATER AND WASTE DEPARTMENT**

BID TABULATION

THE WEST END WATER POLLUTION CONTROL CENTRE - BIOLOGICAL NUTRIENT REMOVAL UPGRADE

Bid Opportunity No 21-2006

File No. S-596-C3-03

Bidder	Total Bid Price	Completion Date	Deposit	Remarks
Bird Management Limited dba Bird Construction Company	<u>\$25,190,105.00</u>	May 15, 2008	Bid Bond	
PCL Constructors Canada Inc.	\$26,160,000.00*	May 15, 2008	Bid Bond	
M.D. Steele Construction Ltd.	\$26,676,282.00*	May 15, 2008	Bid Bond	

*Corrected amount due to a mathematical error

Approved Capital	\$ 32,235,000.00
Amount of Previous Awards	\$ 920,432.00
Pre-Bid Estimate	\$ 21,400,000.00
Recommended Amount	\$ 25,190,105.00