



**REPORT TO CAPITAL REGIONAL DISTRICT BOARD
MEETING OF WEDNESDAY, FEBRUARY 14, 2024**

SUBJECT **Recommendation to Award Contract 2023-909, East Coast Interceptor and Bowker Sewer Rehabilitation 2024**

ISSUE SUMMARY

To seek Capital Regional District (CRD) Board approval to award Contract 2023-909, East Coast Interceptor and Bowker Sewer Rehabilitation 2024 as identified in the 5 Year Core Area Capital Plan.

BACKGROUND

The East Coast Interceptor (ECI) (circa 1990) and North East Trunk - Bowker (Bowker) (circa 1914) sewers were originally constructed to serve Victoria, Oak Bay, and the Saanich Panhandle. Portions of these sewers have been rehabilitated by Cured-in-Place Pipe (CIPP) lining, a cost-effective trenchless technology that largely eliminates the need to disturb the surface works. Based on closed-circuit television (CCTV) inspections, most of the remaining old sewer also needs to be rehabilitated with CIPP lining. Appendix A details the ECI and Bowker sewers and outlines which portions are proposed for the next phase of CIPP rehabilitation.

In 2023, the financial 5 Year Core Area Capital Plan (Appendix B) was approved by the Core Area Liquid Waste Management Committee and CRD Board, which included \$8.3 million in funding to continue with Phase 1 of the Bowker Sewer Rehabilitation project (Core Area Capital Project 21-09) in 2023 and an additional \$8 million in funding to proceed with Phase 2 of rehabilitation in 2024 (Core Area Capital Project Number 24-10). All CIPP lining work on Phase 1 was completed in 2023, and any remaining budget will be carried into 2024 to fund close-out costs as well as some of the engineering and project management efforts that will transition between Phase 1 into Phase 2.

To progress Phase 2, the CRD retained AECOM Canada Ltd. (AECOM) to design and support in tendering the project. Given current market conditions and the uncertainty of price escalation, AECOM broke the tender down into base bid (about 1,900 meters (m) of higher priority pipe segments), and provisional pipe segments (about 700m).

Bids from tenderers were received on January 4, 2024 as follows:

| Tenderer | Tender Amount of Base Bid (excl. GST) | Tender Amount of Provisional Items (excl. GST) | * Total Amount (excl. GST) |
|------------------------------|--|---|-----------------------------------|
| Insituform Technologies Ltd. | \$5,412,570 | \$1,993,255 | \$7,505,825 |
| Capital Sewer Services Inc. | \$7,270,338 | \$2,670,874 | \$10,041,212 |

* Includes \$100,000 contingency amount built into the contract

AECOM confirmed that Insituform Technologies Ltd. (ITL) tendered prices are complete, mathematically correct, within industry standards based on the current market, and will provide good value to the CRD. CRD staff have conducted their own review of the tenders and concur with this assessment. By utilizing the remaining Phase 1 budget to continue with engineering and project management services, staff believe that the base bid and provisional works can be completed in Phase 2.

Staff are bringing this recommendation to the CRD Board directly to save one month in project schedule and better ensure that the project can be completed in the dry weather window required to conduct the bypass pumping necessary for this work.

ALTERNATIVES

Alternative 1

That Contract No. 2023-909, East Coast Interceptor and Bowker Sewer Rehabilitation 2024, be awarded to Insituform Technologies Ltd. for an amount of \$7,505,825 (excluding GST); and authorize staff to expend up to an additional \$400,000 in contract contingency funds as required during the execution of the project.

Alternative 2

That Contract No. 2023-909, East Coast Interceptor and Bowker Sewer Rehabilitation 2024, be deferred until the Core Area Liquid Waste Management Committee can provide recommendation for award.

Alternative 3

That Contract No. 2023-909, East Coast Interceptor and Bowker Sewer Rehabilitation 2024, not be awarded and that staff be directed to cancel or retender the project.

IMPLICATIONS

Service Delivery Implications

ITL has demonstrated that they understand the scope of work and their pricing will provide good value to the CRD. ITL has successfully completed lining projects for the CRD and other municipalities in Greater Victoria in the past, including the successful CIPP lining of approximately 1,900m of pipe within Phase 1 of the Bowker Sewer Rehabilitation Project (Core Area Capital Project Number 21-09). Additional pipe lining can be incorporated into this contract (under Provisional Items) for a total pipe rehabilitation length of about 2,600m. ITL has indicated that they can complete the work within the specified completion date of October 15, 2024.

Deferring the award of this work will compress the schedule and put greater risk on not being able to complete the rehabilitation during the 2024 dry weather period.

Environmental & Climate Action

The 100-year-old sewer needs to be rehabilitated before it fails or degrades to the point in which trenchless rehabilitation is no longer viable. CIPP rehabilitation minimizes impact on the public and the environment. During construction, any noise resulting from bypass pumping and traffic impacts will be managed by the contractor in consultation with the CRD and the municipalities. Work will take place during the dry months of the year.

Financial Implications

The tender could be cancelled and retendered to try to solicit interest from firms that did not bid; however, such cancellation and re-tendering without a change in the scope of the project or the specifications would not be in line with CRD’s procurement practices. Cancellation would delay the rehabilitation of 100-year-old pipe and may result in ITL choosing not to proceed with a future bid for this work. Re-tendered cost will likely be more expensive due to continuing pressures of wages, equipment, fuel, and materials. Staff recommend proceeding with the qualified tenderer.

CONCLUSION

The East Coast Interceptor and North East Trunk - Bowker sewers have exceeded typical design life expectations and need to be rehabilitated. AECOM completed the design and staff are confident that they will successfully administer the construction contract. ITL understands the scope of work and their pricing will provide good value to the CRD. ITL’s tender was compliant, and they have successfully completed numerous similar rehabilitation projects. About 2,600m of sewer pipe length can be rehabilitated in 2024 within the available project budgets. The delegated signing authority limit for the Chief Administrative Officer is \$5 million, therefore approval of the award of contract by the Capital Regional District Board is required.

RECOMMENDATION

That Contract No. 2023-909, East Coast Interceptor and Bowker Sewer Rehabilitation 2024, be awarded to Insituform Technologies Ltd. for an amount of \$7,505,825 (excluding GST); and authorize staff to expend up to an additional \$400,000 in contract contingency funds as required during the execution of the project.

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| Submitted by: | Joseph Marr, P.Eng., Senior Manager, Infrastructure Engineering |
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ATTACHMENT(S)

- Appendix A: Location Map
- Appendix B: Core Area 5 Year Capital Plan