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**REPORT TO CORE AREA LIQUID WASTE MANAGEMENT COMMITTEE  
MEETING OF WEDNESDAY, JULY 27, 2022**

**SUBJECT Bowker Sewer Rehabilitation Recommendation to Award Contract 2022-743**

**ISSUE SUMMARY**

To seek Core Area Liquid Waste Management Committee and Capital Regional District (CRD) Board approval to award Contract 2022-743 for the Bowker Sewer Rehabilitation – Phase 1.

**BACKGROUND**

The Bowker Sewer was originally constructed around the year 1914 to serve Victoria, Oak Bay and the Saanich Panhandle. In 2008, portions of the sewer were 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 recent closed-circuit television (CCTV) inspections, most of the remaining old sewer also needs to be rehabilitated with CIPP lining. Appendix A details the Bowker Sewer and which portions are to be lined.

In 2020-21, a Capital Plan was approved by the CRD Board and included a project to rehabilitate about 2,700 meters (m) of the Bowker Sewer with a budget of \$8.6 million. A breakdown of budget components is as follows:

<b>Project Name &amp; No.</b>	<b>Engineering &amp; Project Management</b>	<b>Construction</b>	<b>Contingency</b>	<b>Total Budget</b>
Bowker Sewer Rehabilitation No. 21-09	\$600,000	\$7,500,000	\$500,000	\$8,600,000

The CRD retained AECOM Canada Ltd. (AECOM) to design and tender the project. Given current market conditions and the uncertainty of price escalation, AECOM broke the tender down into base bid, higher priority pipe segments (about 1,500m), and provisional price pipe segments (about 1,200m).

A request for qualification (RFQ) was issued for public response to pre-qualify competent contractors. On April 8, 2022, an invitation to tender (ITT) was provided to the two pre-qualified contractors. On May 13, 2022, the ITT closed and two tenders were received.

The low-bid tender was significantly below the estimated value for the project, and given the scope of work and estimated cost, was clearly submitted in error. After discussions with AECOM as to the ability of the vendor to perform the scope of work, the vendor confirmed they had erred and requested to withdraw their bid, which AECOM recommended CRD accept.

The only remaining bid was as follows:

<b>Tenderer</b>	<b>Tender Amount of Base Bid (excl. GST)</b>	<b>Tender Amount of Provisional Items (excl. GST)</b>	<b>Total Amount (excl. GST)</b>
Insituform Technologies Ltd.	\$5,587,894	\$3,328,831	\$8,916,725

AECOM contacted ITL and verified it has a good understanding of the project and the tender met the ITT requirements. ITL's base bid of \$5,587,894 is within the \$7,500,000 construction budget and several provisional items can be included in the contract to utilize the full project budget (which will rehabilitate about 2,100m of the 2,700m of sewer pipe requiring relining). The remaining 600m of sewer pipe relining can be included in pipe rehabilitation work scheduled for 2024.

AECOM confirmed that ITL's tendered prices are within industry standards, based on the current market, and will provide good value to the CRD. IWS staff have conducted their own review of the tenders and concur with this assessment.

### **ALTERNATIVES**

#### *Alternative 1*

That the Core Area Liquid Waste Management Committee recommends to the CRD Board:

That Contract No. 2022-743, Bowker Sewer Rehabilitation, be awarded to Insituform Technologies Ltd. for an amount of \$7,500,000 (excluding GST) and authorize staff to expend up to an additional \$500,000 in contract contingency funds as required during the execution of the project.

#### *Alternative 2*

That the Core Area Liquid Waste Management Committee recommends to the CRD Board:

That Contract No. 2022-743, Bowker Sewer Rehabilitation, not be awarded and direct staff to cancel or retender the project.

### **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. Staff can include additional pipe into the ITL contract (under Provisional Items) for a total length of about 2,100m at a total price of about \$7,500,000. ITL have indicated that they can complete the work within the specified completion date of October 15, 2023. The 100-year-old sewer needs to be rehabilitated before it fails and using trenchless technologies to line the pipe minimizes impact on the public and 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 and will be paused during the wet winter months when pipe flows are higher.

The tender could be cancelled and retendered to try to solicit interest from firms that did not qualify under the RFQ process; 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 policies and practices, would delay the rehabilitation of 100-year-old pipe, have serious schedule implications; may result in ITL choosing not to proceed with a further bid with CRD for this work; and the 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 at this time.

**CONCLUSION**

The Bowker Sewer has exceeded typical design life expectations and now needs to be rehabilitated. The first phase of rehabilitation was included in the 2020-21 Capital Plan and approved by the Board with a budget of \$8.6 million. AECOM completed the design and tender for rehabilitation work. Two tenders were received but CSS requested that their tender be withdrawn. AECOM confirmed that ITL understands the scope of work and their pricing will provide good value to the CRD. Their tender was compliant, and they have successfully completed numerous similar rehabilitation projects. About 2,100m of the 2,700m sewer pipe length can be rehabilitated at a cost of about \$7,500,000. The delegated signing authority limit for the Chief Administrative Officer is \$5 million, therefore approval of the award of contract by the CRD Board is required.

**RECOMMENDATION**

That the Core Area Liquid Waste Management Committee recommends to the CRD Board:

That Contract No. 2022-743, Bowker Sewer Rehabilitation, be awarded to Insituform Technologies Ltd. for an amount of \$7,500,000 (excluding GST) and authorize staff to expend up to an additional \$500,000 in contract contingency funds as required during the execution of the project.

Submitted by:	Ian Jesney, PEng., Senior Manager, Infrastructure Engineering
Concurrence:	Ted Robbins, BSc., CTech., General Manager, Integrated Water Services
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

**ATTACHMENTS**

Appendix A: Location Map