

# TORONTO TRANSIT COMMISSION REPORT NO.

**MEETING DATE:** February 27, 2008

**SUBJECT:** PROCUREMENT AUTHORIZATION  
STEELES WEST STATION – STORM SEWER RELOCATION  
CONTRACT A40-11

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## RECOMMENDATION

It is recommended that the Commission authorize the award of a contract submitted by Dufferin Construction Company, a Business Unit of St. Lawrence Cement Inc. (Dufferin) in the amount of \$1,595,000 for Contract A40-11, Steeles West Station – Storm Sewer Relocation.

## FUNDING

Sufficient funds for this expenditure are included in the Toronto-York Spadina Subway Extension Project, as set out on pages 1521 to 1526 of the TTC 2008-2012 Capital Program (category Expansion), which was approved by City Council on December 11, 2007.

## BACKGROUND

In November 2006, a number of engineering and construction activities were identified as requiring early initiation under the Project, including the relocation of a 1650mm storm sewer on the south side of Steeles Avenue. The existing storm sewer location conflicts with the future Steeles West Station structure. At the July 11, 2007 meeting, the Commission authorized the Chief General Manager to award a construction contract and to incur engineering costs for the design and construction of this storm sewer relocation. At the time, construction was scheduled to commence in September 2007. During detailed design activities for the sewer relocation, the Canadian Environmental Assessment Agency (CEAA) and Transport Canada advised staff that commencement of construction activities prior to obtaining approval of the Project under the Canadian Environmental Assessment Act could jeopardize the Federal funding contribution (Building Canada Fund) for the Project. For this reason, tender and construction were postponed until the CEAA approval could be initiated.

To expedite approval of the Project under CEAA, a draft CEAA Screening Report was submitted for review to the Federal Government on November 5, 2007. Comments on the report were received from various federal agencies, and a final Screening Report was submitted for approval on January 31, 2008. Approval of the Project under CEAA is anticipated to be received in early March 2008, allowing the sewer relocation to proceed upon receipt.

Under the terms of the Move Ontario Trust set up by the Provincial Government for funding of the Toronto-York Spadina Subway Extension project (Project), the first construction contract must be entered into no later than 365 days following final approval of the Provincial Environmental Assessment for the Project (resulting initial construction date of March 22, 2008). Given this condition, approval of the Project under CEAA is required on or before March 22, 2008, to allow construction to proceed as per the requirements of the Trust.

The Contract consists of the construction of a new, approximately 257m long, 1650mm storm sewer, which will replace the existing sewer in the Steeles Avenue road right-of-way. The existing sewer conflicts with the proposed Steeles West Station box structure and must be relocated south on to York University property to avoid this conflict. The new sewer construction includes, but is not limited to the following: tunnel construction under roadway, football field and bermed areas; tunnel shafts; bulkheads for future extension/connection of new sewer to existing; cut and cover construction under parking lot; maintenance holes; pavement, curb and sidewalk replacement and restoration; parking pavement markings; landscaping areas restoration; and, tree removal and replacement.

Construction licence and sewer easement agreements for the new sewer have been negotiated with York University and are expected to be executed by the end of February 2008.

## **DISCUSSION**

Specifications and drawings were prepared for Contract A40-11 and a Request for Tenders was posted on the Commission's Web site as of January 2, 2008. Fifteen companies requested copies of the tender documents, out of which eleven submitted a tender (see Appendix A).

614128 Ont. Ltd. o/a Trisan Construction (Trisan) submitted the lowest priced tender and did not state any exceptions or qualifications; however, they noted that their tender incorporates "Addenda No. 2 to 2", which is not considered acceptable because it does not appear to incorporate Addendum No. 1, which included material changes to the tender documents. As such, their tender is not considered acceptable.

616183 Ontario Inc. o/a Hollingworth Const. Co. (Hollingworth) submitted the second lowest priced tender and also did not state any exceptions or qualifications; however, they did not sign their bid bond form. This was determined to be unacceptable since the bid bond is a three party undertaking; therefore, it is not fully executed. As such, their tender is not considered acceptable.

Dufferin submitted the third lowest priced tender and also did not state any exceptions or qualifications. Dufferin also offered an alternative to open cut a portion of the sewer, in lieu of tunneling, as specified, for a price reduction, which was determined to be unacceptable for this portion of the sewer work due to property constraints. Dufferin has performed work for the Commission, but not in the last five years; as such, reference checks were completed which indicate that they have satisfactorily performed similar work of a larger scale within the past five years.

The tenders submitted by Comer Group Limited (Comer), Clearway Construction Inc. (Clearway), Dibco Underground Limited (Dibco), Dom-Meridian Construction Ltd. (Dom-Meridian), Drainstar Contracting Ltd. (Drainstar), Brennan Paving & Construction Ltd. (Brennan), Aecon Construction and Materials Limited (Aecon), and Dig-Con International Limited (Dig-Con) were not evaluated further due to the difference in price.

Several tenderers offered alternatives, which were reviewed by staff; however, they were either considered unacceptable due to property constraints or could not be evaluated since no additional information was provided with the tender submissions.

The Agreement to Bond submitted by Dufferin covers both a Labour and Material Payment Bond and a Performance Bond. The surety company noted in the tender is licensed to transact business under the Insurance Act of Ontario.

Dufferin will be required to execute a Performance Bond and a Labour and Material Payment Bond each in the amount of 50% of the contract value.

**JUSTIFICATION**

The tender submitted by Dufferin Construction Company, a Business Unit of St. Lawrence Cement Inc. is the lowest acceptable tender.

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Attachment – Appendix 'A' Summary of Tenders

**APPENDIX 'A'**

**STEELES WEST STATION - STORM SEWER RELOCATION  
CONTRACT A40-11**

**SUMMARY OF TENDERS**

	<u>Proposal Price</u>
1. 614128 Ont. Ltd. o/a Trisan Construction	\$1,198,268.44
2. 616183 Ontario Inc. o/a Hollingworth Const. Co.	\$1,488,300.00
3. Dufferin Construction Company *	\$1,595,000.00
4. Comer Group Limited	\$1,823,214.00
5. Clearway Construction Inc.	\$2,083,236.35
6. Dibco Underground Limited	\$2,226,890.00
7. Dom-Meridian Construction Ltd.	\$2,517,000.00
8. Drainstar Contracting Ltd.	\$2,595,100.00
9. Brennan Paving & Construction Ltd.	\$2,845,822.00
10. Aecon Construction and Materials Limited	\$2,992,500.00
11. Dig-Con International Limited	\$5,598,000.00
<b>Engineer's Estimate</b>	<b>\$3,200,000.00</b>

**\* Recommended Company**