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**TO:** CITY MANAGER **DATE:** 2011 July 05

**FROM:** DIRECTOR FINANCE **FILE:** 23-02/11

**SUBJECT: CONTRACT NO. 2011-10**  
**2011 SEWER MAINLINE AND LATERAL GROUTING**  
**GILLEY WALKER PHASE 1**

**PURPOSE:** To obtain approval to award a contract for the 2011 Sewer Mainline and Lateral Grouting – Gilley Walker Phase 1 and to award the contract to the second lowest tenderer.

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**RECOMMENDATIONS:**

1. **THAT** Council rescind the approval obtained at the meeting of 2011 May 09 to award a contract to Siemens Contracting Ltd for the total cost of \$393,663.20, including HST in the amount of \$42,178.20 for the 2011 Sewer Mainline and Lateral Grouting – Gilley Walker Phase 1.
2. **THAT** Council approve the award to Mar-tech Underground Services Ltd. for the total cost of \$425,602.91, including HST in the amount of \$45,600.31 for the 2011 Sewer Mainline and Lateral Grouting – Gilley Walker Phase 1.

**REPORT**

On 2011 May 09 staff recommended to Council that the City contract with Siemens Contracting Ltd. for the 2011 Sewer Mainline and Lateral Grouting – Gilley Walker Phase 1. Siemens Contracting Ltd. was the lowest of three tenders evaluated. As per the Form of Tender, the contractor was required to submit all documentation including performance bonds, and material and labour bonds within ten (10) days of issuance of the Notice of Award. To date the contractor has failed to submit the required bonding or other documentation. It is respectfully requested that Council rescind its approval to award the contract to Siemens Contracting Ltd.

It is recommended that Council approve an award of the contract in the amount of \$425,602.91 (inclusive of HST) to the second lowest tender, Mar-tech Underground Services Ltd for the 2011 Sewer Mainline and Lateral Grouting – Gilley Walker Phase 1. Mar-tech Underground Services Ltd. has completed several contracts for the City in the past and all were completed to the satisfaction of the City. This contractor has the equipment and personnel needed to successfully complete the work required under this contract. The difference of \$31,939.71 between the

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lowest tender and the second lowest tender will be recovered from Siemens Contracting Ltd's bid bond.

The Director Engineering concurs with the above recommendations.

Funding for this contract is included in the 2011 Annual Operating Budget and these expenditures are included in the Sanitary Sewer Utility component of the 2011 Annual Financial Plan.

Denise Jorgenson  
DIRECTOR FINANCE

Copied to: Director Engineering