MANAGEMENT REPORT

Date: June 23, 2025
To: Mayor and Council
From: Nick Sheldon, Project Manager
Report Number: COU25-073
Attachments: Neal Avenue, Fern Street, and Morison Street Watermain Relining – Bid Results

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Title: T-2025-43 Neal Avenue, Fern Street and Morison Street Watermain Relining Tender Award

Objective: To obtain Council approval to accept the low bid from Fer-Pal Construction Ltd. of $959,234.40 including HST, for the Neal Avenue, Fern Street, and Morison Street Watermain Relining Watermain T-2025-43.

Background: The existing watermains on Neal Avenue (Haig Street to Morison Street), Morison Street (Neal Avenue to Delamere Avenue) and Fern Street (Neal Avenue to Glendon Road) collectively are 585 metres in length, were constructed of 150mm diameter cast iron between 1958-1965. They have been experiencing reoccurring breaks, most recently February 2025. These watermain failures result in disruption to residents and represent unplanned financial pressures due to the repairs. These cast iron watermains were initially estimated to last 60 years and are 60-67 years old, therefore reaching the end of their useful life and requiring action.

The existing water service connections are constructed of copper and are installed below the usual frost depth, and do not require replacement currently (non-lead and not susceptible to freezing). The storm sewer, sanitary sewer, and road infrastructure on these streets are in excellent condition, requiring no immediate repairs or replacements. Therefore, staff is recommending Cured-In-Place Pipe (CIPP) techniques over traditional open-cut construction to address recurring watermain breaks.

In 2024, 2023, 2022 and 2020 Infrastructure Services successfully completed watermain rehabilitation projects on Kenner Crescent, Erie Street, Willow Street and Romeo Street North with this Cured-In-Place Pipe (CIPP) technique.

The Department proposes building on experience and rehabilitating the Neal Avenue, Fern Street and Morison Street watermains using the CIPP lining technology. CIPP lining

is a cost-effective trenchless solution that lines the inside diameter of the existing pipe with a composite material. The stand-alone structural liner withstands loads and internal pressures without relying on the residual strength of the existing pipe. The CIPP lining material is designed and manufactured to meet all drinking water requirements.

Analysis: There were a total of six contractors registered for the project, with three submitting official bids. The low bid of $959,234.40 including HST was provided by Fer-Pal Construction Ltd. The total after the Partial HST Rebate is $863,820.29.

Fer-Pal Construction Ltd. has been actively installing CIPP in watermains for over 19 years. They have completed over 650 projects and have lined over 2,500,000 metres of pressurized potable watermain in Canada and United States.

The estimated total project costs are:

Construction Contract (after HST rebate)	$	863,820.29
Material Testing	$	10,000.00
Total	$	873,820.29

The 2025 approved Capital Budget allocated a total of $800,000 for this project to be funded from the water capital reserve fund.

Due to competitive bidding exceeding budgeted estimates, the low bid results in costs of $73,820 beyond the initial estimate. Staff propose funding this project, including the excess from the water capital reserve fund R-R11-WATR.

Rather than full replacement, relining provides a cost-effective rehabilitation strategy that preserves asset condition and performance. This approach aligns with our asset management strategy by prioritizing proactive maintenance and renewal, ensuring sustainable service delivery while managing long-term financial pressures.

Financial impact to current year operating budget:
The financial impact to the operating budget is primarily in the reduced operating costs to service breaks when they occur.

Financial impact on future year operating budget:
Proactive rehabilitation and replacement of City assets ensure infrastructure remains in a state of good repair mitigating the financial risk of unplanned repairs.

Link to asset management plan and strategy:
This watermain relining project directly supports the City's Asset Management Plan by extending the useful life of existing infrastructure, optimizing lifecycle costs, and minimizing service disruptions.

The watermain segments included in this project are in "very poor" condition based on their age, material (cast iron) and watermain break history. This rehabilitation will bring the overall condition of these segments to a "very good" rating and will extend their useful life by approximately 50 years.

Alignment with Strategic Priorities:

Enhance our Infrastructure
This report aligns with this priority as it outlines the planned relining of a deteriorating watermain, which will extend the service life of existing infrastructure, improve system reliability, and reduce the risk of future service disruptions

Sustainable Water
Using water efficiently, protecting local water resources and reducing flooding and drought.

Material and Products
Using materials from sustainable sources and promoting products which help people reduce consumption.

Zero Waste
Reducing consumption, reusing and recycling to achieve zero waste and zero pollution.

Staff Recommendation: THAT the tender (T-2025-43) for the Neal Avenue, Fern Street and Morison Street Watermain Relining project, be awarded to Fer-Pal Construction Ltd. at a total price of $959,234.40, including HST;

THAT the project, including the excess over the 2025 approved budget, be funded via the Water Reserve, R-R11-WATR;

AND THAT the Mayor and City Clerk, or their respective delegates, be authorized to sign the necessary Contract Agreement for the Neal Avenue, Fern Street and Morison Street Watermain Relining project (T-2025-43).

Prepared by:	Nick Sheldon, Project Manager
Recommended by:	Taylor Crinklaw, Director of Infrastructure Services
	Adam Betteridge, Interim Chief Administrative Officer