

Report to Civic Works Committee

To: Chair and Members
Civic Works Committee

From: Kelly Scherr, P.Eng., MBA, FEC
Deputy City Manager, Environment & Infrastructure

Subject: Contract Price Increase: Churchill Avenue and Manitoba Street

Date: August 15, 2023

Recommendation

That, on the recommendation of the Deputy City Manager, Environment and Infrastructure, the following actions **BE TAKEN** with respect to the Churchill Avenue and Manitoba Street Reconstruction project:

- a) Churchill Avenue and Manitoba Street (Tender RFT21-130) construction contract value with Elgin construction Company Limited **BE INCREASED** by \$50,000 to \$4,316,261.95 (excluding HST) in accordance with Section 20.3 (e) of the Procurement of Goods and Services Policy;
- b) the financing for these projects **BE APPROVED** as set out in the Sources of Financing Report attached hereto as Appendices 'A.'
- c) the Civic Administration **BE AUTHORIZED** to undertake all the administrative acts that are necessary in connection with these projects; and,
- d) the Mayor and City Clerk **BE AUTHORIZED** to execute any contract or other documents, if required, to give effect to these recommendations.

Executive Summary

The Churchill Avenue and Manitoba Street Reconstruction Project requires a contract amendment to address increased quantities not anticipated in the original tender and subsequent request for additional funds. The City's Procurement of Goods and Services Policy requires Council approval for these contract amendments.

Linkage to the Corporate Strategic Plan

This recommendation supports the following 2023-2027 Strategic Plan area of focus:

- Climate Action and Sustainable Growth:
 - The infrastructure gap is managed for all assets; and
 - London's infrastructure is built, maintained, and secured to support future growth and protect the environment;

Analysis

1.0 Background Information

1.1 Previous Reports Related to this Matter

Civic Works Committee – June 1, 2021 – Appointment of Consulting Engineers for the Infrastructure Renewal Program

2.0 Discussion and Considerations

2.1 Discussion

In April 2022, the City began construction on Churchill Avenue and Manitoba Street to replace sewers and watermain, along with surface works including sidewalk, curb, and asphalt replacement. The project is now 95% complete with final asphalt and sod work having been recently completed.

In March of 2023, additional funds were requested pursuant to the City's Procurement of Goods and Services Policy due to tender quantities that were not captured in the original tender document for some items.

While completing finishing touches this spring, it has been determined that an additional \$50,000 is required to complete this project. These additional costs are due to unexpected repairs to the concrete curbs due to winter damage and additional asphalt used in order to compensate for settlements in the base course of asphalt which occurred over the winter.

3.0 Financial Impact/Considerations

An increase of \$50,000 to the contract with Elgin Construction is required to complete the project due to unforeseen additional repair work to concrete curbs and additional quantities of asphalt used. This funding is available in the approved water, sanitary, and transportation capital budgets per the Source of Financing attached as Appendix 'A'.

Conclusion

In accordance with Section 20.3 (e) of the Procurement of Goods and Services Policy, it is recommended that the contract value be amended for the Churchill Avenue and Manitoba Street Reconstruction project construction contract.

Prepared by: Ugo DeCandido, P.Eng., Division Manager, Construction Administration

Submitted by: Jennie Dann, P.Eng., Director, Construction and Infrastructure Services

Recommended by: Kelly Scherr, P. Eng., MBA, FEC, Deputy City Manager, Environment and Infrastructure

Attach: Appendix 'A' – Sources of Financing:

- Churchill Avenue and Manitoba Street Reconstruction (RFT21-130)

cc: Aaron Rozentals, Division Manager, Water Engineering
Kyle Chambers, Division Manager, Sewer Engineering
Garfield Dales, Division Manager, Transportation Planning and Design
Gary McDonald, Budget Analyst, Finance & Corporate Services

Appendix "A"

#23160

August 15, 2023
(Contract Increase)

Chair and Members
Civic Works Committee

RE: Contract Price Increase: Churchill Avenue and Manitoba Street
(Subledger WS22C00C)

Capital Project ES254023 - Infrastructure Renewal Program - Stormwater Sewers and Treatment

Capital Project EW376522 - Infrastructure Renewal Program - Watermains

Capital Project TS301422 - Road Network Improvements (Local and Rural)

Elgin Construction Company Limited - \$50,000.00 (excluding HST)

Finance Supports Report on the Sources of Financing:

Finance Supports confirms that the cost of this project can be accommodated within the financing available for it in the Capital Budget and that, subject to the approval of the recommendation of the Deputy City Manager, Environment and Infrastructure, the detailed source of financing is:

Estimated Expenditures	Approved Budget	Committed To This Date	This Submission	Balance for Future Work
ES254023 - Infrastructure Renewal Program - Stormwater Sewers and Treatment				
Engineering	2,000,000	1,658,998	0	341,002
Construction	11,212,878	7,044,298	21,624	4,146,956
City Related Expenses	100,000	611	0	99,389
ES254023 Total	13,312,878	8,703,907	21,624	4,587,347
EW376522 - Infrastructure Renewal Program - Watermains				
Engineering	2,107,790	1,894,253	0	213,537
Construction	16,941,636	16,927,644	13,992	0
City Related Expenses	395,967	395,967	0	0
EW376522 Total	19,445,393	19,217,864	13,992	213,537
TS301422 - Road Network Improvements (Local and Rural)				
Construction	10,818,655	10,802,379	15,264	1,012
City Related Expenses	269,215	269,215	0	0
TS301422 Total	11,087,870	11,071,594	15,264	1,012
Total Expenditures	\$43,846,141	\$38,993,365	\$50,880	\$4,801,896

Sources of Financing

ES254023 - Infrastructure Renewal Program - Stormwater Sewers and Treatment				
Capital Sewer Rates	1,242,500	1,242,500	0	0
Drawdown from Sewage Works Renewal Reserve Fund	9,820,378	5,211,407	21,624	4,587,347
Canada Community-Building Fund	2,250,000	2,250,000	0	0
ES254023 Total	13,312,878	8,703,907	21,624	4,587,347
EW376522 - Infrastructure Renewal Program - Watermains				
Capital Water Rates	12,175,544	12,175,544	0	0
Drawdown from Water Works Renewal Reserve Fund	6,585,816	6,358,287	13,992	213,537
Canada Community-Building Fund	684,033	684,033	0	0
EW376522 Total	19,445,393	19,217,864	13,992	213,537

Appendix "A"

#23160

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Capital Project TS301422 - Road Network Improvements (Local and Rural)

Elgin Construction Company Limited - \$50,000.00 (excluding HST)

Sources of Financing Continued	Approved Budget	Committed To Date	This Submission	Balance for Future Work
TS301422 - Road Network Improvements (Local and Rural)				
Capital Levy	1,088,200	1,088,200	0	0
Drawdown from Capital Infrastructure Gap Reserve Fund	904,565	904,565	0	0
Drawdown from Transportation Renewal Reserve Fund	800,000	783,724	15,264	1,012
Canada Community-Building Fund	8,295,105	8,295,105	0	0
TS301422 Total	11,087,870	11,071,594	15,264	1,012
Total Financing	\$43,846,141	\$38,993,365	\$50,880	\$4,801,896

Financial Note:	ES254023	EW376522	TS301422	Total
Contract Increase	\$21,250	\$13,750	\$15,000	\$50,000
Add: HST @13%	2,763	1,788	1,950	6,501
Total Contract Price Including Taxes	24,013	15,538	16,950	56,501
Less: HST Rebate	-2,389	-1,546	-1,686	-5,621
Net Contract Price	\$21,624	\$13,992	\$15,264	\$50,880

Alan Dunbar
Manager of Financial Planning & Policy

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