

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: Mud Creek Phase 2B: RFT-2024-060 – Construction Contract
and Consultant Supervision Award and Project Budget
Increase

Date: June 11, 2024

Recommendation

That, on the recommendation of the Deputy City Manager, Environment and Infrastructure, the following actions **BE TAKEN** with respect to the Mud Creek Phase 2B: RFT-2024-060 – Construction Contract:

- a) the bid submitted by CH Excavating (2013) at its tendered price of \$11,864,196.42 excluding HST, **BE ACCEPTED**; it being noted that the bid submitted by CH Excavating (2013) was the lowest of four (4) bids received and meets the City's specifications and requirements in all areas;
- b) AECOM Canada Ltd. **BE AUTHORIZED** to carry out the resident inspection and contract administration for the "Mud Creek Phase 2B RFT-2024-060 – Construction Contract" in accordance with the estimate on file, at the upset amount of \$1,349,144.83, excluding HST, in accordance with Section 15.2 (g) of the Procurement of Goods and Services Policy;
- c) the financing for these projects **BE APPROVED** as set out in the Sources of Financing Report attached hereto as Appendix "A";
- d) the Civic Administration **BE AUTHORIZED** to undertake all the administrative acts that are necessary in connection with these projects.
- e) the approval given, herein, **BE CONDITIONAL** upon the Corporation entering into a formal contract, or issuing a purchase order for the material to be supplied and the work to be done, relating to this project (RFT-2024-060); and,
- f) the Mayor and City Clerk **BE AUTHORIZED** to execute any contract or other documents, if required, to give effect to these recommendations.

Executive Summary

This report recommends award of the construction tender to CH Excavating (2013) for the reconstruction of Mud Creek corridor from the north side of the CN Rail to the north side of Oxford Street West and includes the installation of a new storm and trunk sanitary sewers, watermain and Oxford Street road restoration. The overall project is intended to be constructed in one continuous phase of work through 2024 and into 2025. This report also provides the rationale to increase the budget to complete the project.

Linkage to the Corporate Strategic Plan

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

- Climate Action and Sustainable Growth:
 - Waterways, wetlands, watersheds, and natural areas are protected and enhanced.
 - London is more resilient and better prepared for the impacts of a changing

climate; and

- Infrastructure is built, maintained, and secured to support future growth and protect the environment.
- Mobility and Transportation
 - London's active transportation network is better connected and serves persons of all ages and abilities.

Analysis

1.0 Background Information

1.1 Previous Reports Related to this Matter

- CWC – May 22, 2024 - Mud Creek East Branch Phase 2A and 2B: RFT-2023-128 — Culvert Installation Project and Consultant Fee Increases
- CWC – June 13, 2023 - Appointment of Consulting Engineers for Contract Administration Services: Stormwater Infrastructure and Channel Remediation Projects
- CWC – July 26, 2022 – Consultant Contract Increase for Mud Creek Phase 2 Detailed Design.

1.2 Mud Creek Project and Location

Phase 2 of the Mud Creek project involves Phase 2A: a new culvert crossing at Oxford Street West and Phase 2B: expanding the stormwater flow capacity of over 750m of the main Mud Creek channel from the north side of the CN Rail culvert crossing, northerly to Oxford Street, all to alleviate the frequent flooding in the Oxford Street West and Proudfoot Lane areas and to allow for approximately 54 hectares of prime infill and intensification lands to develop upstream. Please refer to the location map in Appendix 'B'.

2.0 Discussion and Considerations

During the May 22, 2024 CWC meeting, project fees were increased due to the following changes:

- Phase 2A construction cost increases due to dewatering challenges at the Oxford culvert;
- The addition of a watermain casing on Oxford Street; and,
- Additional design fees associated with addressing the items above.

Due to upcoming infill and intensification in the Mud Creek subwatershed, it was recently determined that the stormwater channel project could also leverage two opportunities to accommodate future growth in the area:

1. *Trunk Sanitary Sewer Capacity for Infill Growth*

The trunk sanitary sewer design was included in this assignment as it was recently indicated that upstream sanitary sewer capacity may become an issue over the next few years with future infill developments being constructed north of Oxford Street. Installing a 750mm diameter trunk sanitary sewer on the west side of the new Mud Creek channel from the south limit to the north limit of the existing trunk sanitary sewer easement, would facilitate future development growth in the upstream sanitary sewershed while eliminating disruption of what will become a newly constructed Mud Creek channel.

The design of adding 180 linear meters of sanitary sewer to the project amounted to \$20,000. The cost for construction and contract administration for the new trunk sanitary sewer is \$625,884.38 in the tender results and is funded by the Housing Accelerator Fund to support meeting the City's housing goals.

2. Proudfoot Lane Culvert Extension

As part of the approval by the Upper Thames River Conservation Authority (UTRCA) for the two-zone flood mapping for the Mud Creek corridor, the City and Bluestone Properties are coordinating the design and installation of the Proudfoot Lane culvert extension to facilitate a future “dry access” to the lands owned by Bluestone Properties at 450 Oxford Street West. Dry access is necessary for lands designated as “flood fringe” in a two-zone floodplain.

Upon installation, Bluestone shall include the details of the access design in a future development application for their property, all subject to approvals by the City and UTRCA. Coordinating the private access with the City’s project is advantageous to avoid future disruption to the channel works once vegetation begins to establish.

A cash allowance of \$880,000 has been included in the tender for the construction of the culvert extension. A formal memorandum of understanding agreement will be executed by the mayor as part of the tender execution process.

3.0 Financial Impact/Considerations

3.1 Tender Summary

The tender for the Mud Creek Phase 2B Channel Remediation Project closed on Wednesday May 29, 2024. Four(4) contractors submitted tender prices as listed below, excluding HST. All tenders received include a contingency of \$1,400,000.

Table 1: Summary of submitted tender prices

Contractor	Tender Price Submitted
CH Excavating (2013)	\$ 11,864,196.42
Bre-Ex Construction Inc.	\$ 12,081,898.67
Schouten Excavating Inc.	\$ 13,021,782.75
J-AAR Civil Infrastructures Limited	\$ 15,012,624.17

All tenders have been checked by the Environment and Infrastructure Department and AECOM Canada Limited and no mathematical errors were found. The results of the tendering process indicate a competitive process. The tender estimate prior to tender opening was \$11.5M including contingency, excluding HST.

3.2 Consulting Engineer Services

Due to the knowledge and positive performance on the detailed design assignment, AECOM was invited to submit a proposal to carry out the resident inspection and contract administration for this project.

Staff have reviewed the additional design and contract administration fee submissions, including the time allocated to each project task, along with hourly rates provided by the consultant’s staff members. The submission was found to be consistent with other project assignments of similar scope. The continued use of the identified consultant on this project for resident inspection and contract administration is of financial advantage to the City because the firm has specific knowledge of the project and has undertaken work for which duplication would be required if another firm were to be selected.

In addition to the financial advantage, there are also accountability and risk reduction benefits. The City requires a Professional Engineer to seal all construction drawings. These ‘record drawings’ are created based on field verification and ongoing involvement by the Professional Engineer. This requirement promotes consultant accountability for the design of these projects, and correspondingly, reduces the City’s overall risk exposure. Consequently, the continued use of the consultant who created and sealed the design drawings is required in order to maintain this accountability process and to

manage risk.

In accordance with Section 15.2 (g) of the City of London's Procurement of Goods and Services Policy, civic administration is recommending that the engineering services associated with the resident inspection and contract administration services be awarded to AECOM Canada Ltd. to ensure that the City receives the product specified and associated value.

3.3 Mud Creek Budget Impacts

Due to the additional Consultant design fees for added project scope, previous tender costs and extras, an increase to the Mud Creek budget is recommended and summarized in Appendix 'A'. This is a Development Charges-funded project. The additional budget will adhere to the same growth/non-growth splits.

Conclusion

Civic Administration has reviewed the tender bids and recommends CH Excavating (2013) be awarded the construction contract for the Mud Creek Phase 2B Channel Remediation project.

AECOM Canada Limited has demonstrated an understanding of the City's requirements for this project and it is recommended that this firm continue as the consulting engineer for the purpose of resident inspection and contract administration services as it is in the best financial and technical interests of the City.

Prepared by: **Shawna Chambers, P.Eng., DPA**
Division Manager, Stormwater Engineering

Submitted by: **Ashley M. Rammeloo, MMSc., P.Eng.**
Director, Water, Wastewater, and Stormwater

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

Attach: Appendix 'A' – Sources of Financing
Appendix 'B' – Location Map

cc: Paul Titus, Jason Senese, Gary McDonald

Appendix "A"

#24115

June 11, 2024

(Award Contract)

Chair and Members

Civic Works Committee

RE: Mud Creek Phase 2B: RFT-2024-060 - Construction Contract and Consultant Supervision Award and Project Budget

(Subledger SWM21003)

Capital Project ES2681-2 - Mud Creek East Br Phase 2 (CN to Oxford)

Capital Project ESHAF002 - HAF - Mud Creek 2B

CH Excavating (2013) - \$11,864,196.42 (excluding HST)

AECOM Canada Ltd. - \$1,349,144.83 (excluding HST)

Finance Supports Report on the Sources of Financing:

Finance Supports confirms that the cost of this project cannot be accommodated within the financing available in the Capital Budget, but can be accommodated through additional drawdowns from the Sewage Works Renewal Reserve Fund and the City Services - Stormwater Reserve Fund, 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	Additional Requirement (Note 2)	Revised Budget	Committed To Date	This Submission	Balance for Future Work
ES2681-2 - Mud Creek East Br Phase 2 (CN to Oxford)						
Engineering	3,013,778	0	3,013,778	1,699,688	1,314,090	0
Construction	15,549,075	5,187,687	20,736,762	8,931,195	11,805,567	0
City Related Expenses	106,747	0	106,747	106,747	0	0
ES2681-2 Total	18,669,600	5,187,687	23,857,287	10,737,630	13,119,657	0
ESHAF002 - Mud Creek 2B						
Engineering	58,800	0	58,800	0	58,800	0
Construction	578,100	0	578,100	0	578,100	0
ESHAF002 Total	636,900	0	636,900	0	636,900	0
Total Expenditures	\$19,306,500	\$5,187,687	\$24,494,187	\$10,737,630	\$13,756,557	\$0

Sources of Financing

ES2681-2 - Mud Creek East Br Phase 2 (CN to Oxford)						
Drawdown from Sewage Works Renewal Reserve Fund (Note 2)	11,780,517	3,273,430	15,053,947	6,775,444	8,278,503	0
Drawdown from City Services - Stormwater Reserve Fund (Development Charges) (Note 1 and 2)	6,889,083	1,914,257	8,803,340	3,962,186	4,841,154	0
ES2681-2 Total	18,669,600	5,187,687	23,857,287	10,737,630	13,119,657	0
ESHAF002 - Mud Creek 2B						
Other Federal Grants- Housing Accelerator Fund (Note 3)	636,900	0	636,900	0	636,900	0
ESHAF002 Total	636,900	0	636,900	0	636,900	0
Total Financing	\$19,306,500	\$5,187,687	\$24,494,187	\$10,737,630	\$13,756,557	\$0

Financial Note:	AECOM - Engineering ES2681-2	AECOM - Engineering ESHAF002	AECOM Total	CH - Construction ES2681-2	CH - Construction ESHAF002	CH Total
Contract Price	\$1,291,362	\$57,783	\$1,349,145	\$11,296,095	\$568,101	\$11,864,196
Contingency	0	0	0	350,000	0	350,000
Add: HST @13%	167,877	7,512	175,389	1,468,492	73,854	1,542,346
Less: HST Rebate	-145,149	-6,495	-\$151,644	-1,309,021	-63,855	-1,372,876
Total Contract Price	\$1,314,090	\$58,800	\$1,372,890	\$11,805,567	\$578,100	\$12,383,667

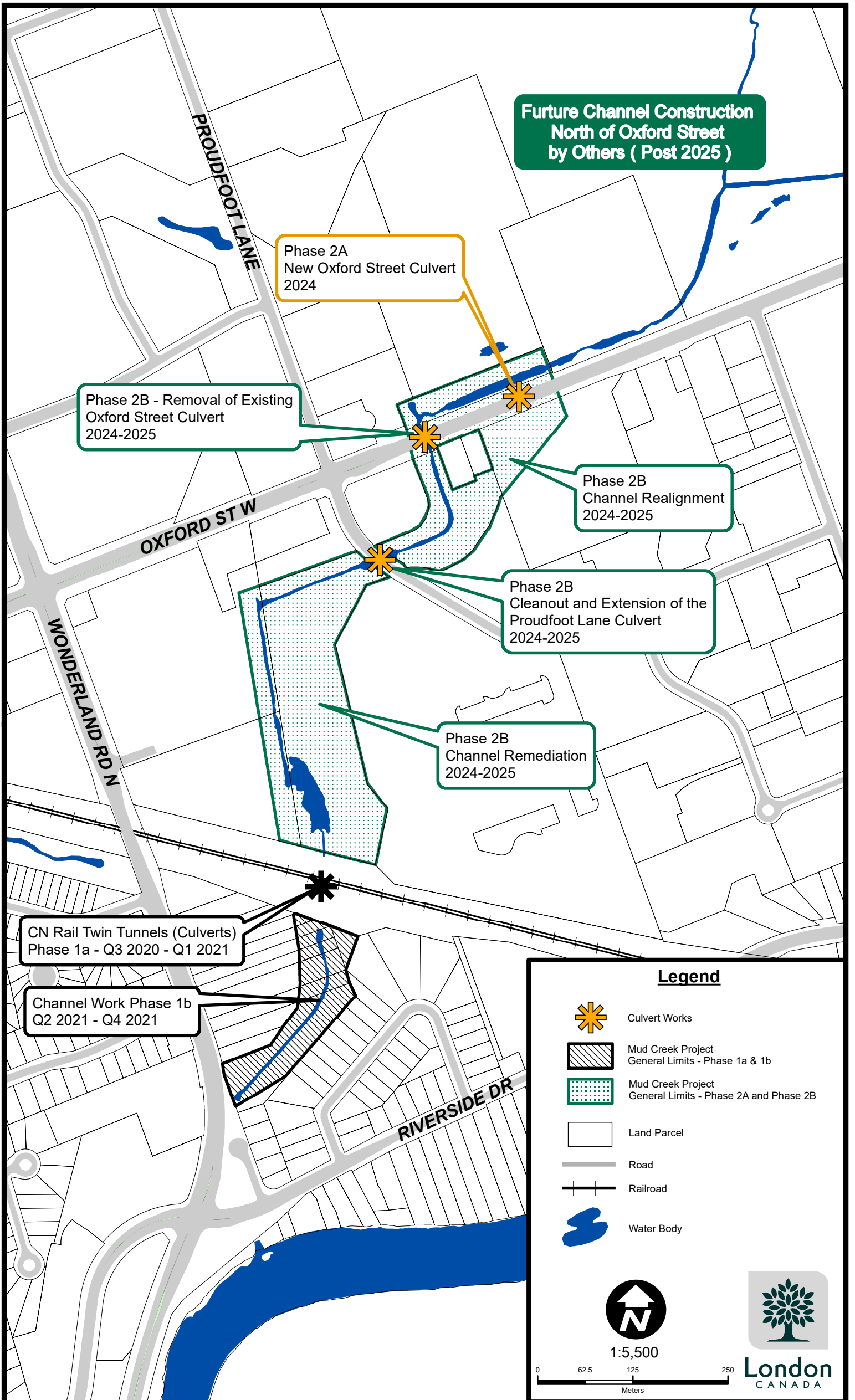
Financial Note (continued):

	Grand Total
Contract Price	\$13,213,341
Contingency	350,000
Add: HST @13%	1,717,735
Less: HST Rebate	-1,524,520
Total Contract Price	\$13,756,557

Note 1: Development charges have been utilized in accordance with the underlying legislation and the approved 2019 Development Charges Background Study and the 2021 Development Charges Background Study Update.

Note 2: The additional requirement can be accommodated through additional drawdowns from the Sewage Works Renewal Reserve Fund and the City Services - Stormwater Reserve Fund. The uncommitted balance of the reserve funds with the inclusion of this project are: Sewage Works Renewal Reserve Fund: \$29.9 M, City Services - Stormwater Reserve Fund: \$0.9 M.

Note 3: Project ESHAF002 - Mud Creek 2B is funded from the Housing Accelerator Fund (HAF). The City of London received \$74.1 million from the Federal government through HAF that can be applied to infrastructure that supports new housing.



**Future Channel Construction
North of Oxford Street
by Others (Post 2025)**

Phase 2A
New Oxford Street Culvert
2024

Phase 2B - Removal of Existing
Oxford Street Culvert
2024-2025

Phase 2B
Channel Realignment
2024-2025








Phase 2B
Cleanout and Extension of the
Proudfoot Lane Culvert
2024-2025


Phase 2B
Channel Remediation
2024-2025

CN Rail Twin Tunnels (Culverts)
Phase 1a - Q3 2020 - Q1 2021


Channel Work Phase 1b
Q2 2021 - Q4 2021

Legend

-  Culvert Works
-  Mud Creek Project
General Limits - Phase 1a & 1b
-  Mud Creek Project
General Limits - Phase 2A and Phase 2B
-  Land Parcel
-  Road
-  Railroad
-  Water Body


1:5,500

0 62.5 125 250
Meters


London
CANADA

APPENDIX 'B' - MUD CREEK LOCATION AND PHASING MAP