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TO:	CHAIR AND MEMBERS CIVIC WORKS COMMITTEE MEETING ON APRIL 12, 2016
FROM:	JOHN BRAAM, P.ENG. MANAGING DIRECTOR, ENVIRONMENTAL & ENGINEERING SERVICES AND CITY ENGINEER
SUBJECT:	CONTRACT AWARD: TENDER T16-13 GROWTH MANAGEMENT IMPLEMENTATION STRATEGY (GMIS) CAMPBELL STREET IMPROVEMENTS - SOUTHWEST AREA TRUNK SANITARY SEWER - PHASE 2

RECOMMENDATION

That, on the recommendation of the Managing Director, Environmental & Engineering Services and City Engineer, the following actions **BE TAKEN** with respect to the award of contracts for construction of Phase 2 of the Southwest Area Trunk Sanitary Sewer:

- (a) the bid submitted by Bre-Ex Construction Inc., 247 Exeter Road, London, ON, N6L 1A5, at its tendered price of \$3,206,841.51, excluding H.S.T., for the construction of Phase 2 of the Southwest Trunk Sanitary Sewer, **BE ACCEPTED**; it being noted that the bid submitted by Bre-Ex, was the lowest of four bids received and meets the City's specifications and requirements in all areas;
- (b) AECOM Canada Limited, **BE AUTHORIZED** to carry out inspection and contract administration for the said project in accordance with the estimate on file, at an upset amount of \$267,349.50, including contingency and excluding H.S.T., based upon the Fee Guideline for Professional Engineering Services, recommended by the Ontario Society of Professional Engineers; and in accordance with Section 15.2 (g) of the City of London's Procurement of Goods and Services Policy, noting that this firm completed the engineering design for this project;
- (c) the financing for the project **BE APPROVED** in accordance with 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 this project;
- (e) the approvals given herein **BE CONDITIONAL** upon the Corporation entering into a formal contract for this project (Tender 16-13); and
- (f) the Mayor and City Clerk **BE AUTHORIZED** to execute any contract or other documents, if required, to give effect to these recommendations.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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- 2015-03-23 Contract Award: Tender T15-04, 2015 Growth Management Implementation Strategy (GMIS) Southwest Area Trunk Sanitary Sewer Phase 1.
- 2015-02-03 Southwest Area Trunk Sanitary Sewer Detailed Design Appointment of Consulting Engineer: Phase 2 – Campbell Street (Hamlyn Street to Lambeth Optimist Park)
- 2014-02-03 Notice of Completion of the Southwest Area Sanitary Servicing Master Plan: Municipal Class Environmental Assessment for the Southland Wastewater Treatment Plant and Proposed Sanitary Servicing of the Southwest Area

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2015-19 STRATEGIC PLAN

This report and its recommendations support the Strategic Plan under Building a Sustainable City – 4B Responsible Growth, by planning and designing new infrastructure consistent with the Growth Management Implementation Strategy.

BACKGROUND

Purpose:

This report recommends the award of a tender to a contractor for the construction of the Campbell Street Improvements representing Phase 2 of the Southwest Area Trunk Sanitary Sewer (refer to Appendix B). The report also recommends appointment of an engineering consultant to carry out inspection and contract administration for said project.

Campbell Street (Hamlyn Street to Lambeth Optimist Park) SS3A

Context:

Phase 2 of the Southwest Area Trunk Sanitary Sewer is the continuation of work completed under Phase 1 and has been identified in both the Growth Management Implementation Strategy (GMIS) and 2014 Development Charges Background Study. The Phase 2 project will establish an important municipal sanitary servicing linkage for the Lambeth area and open development opportunities for surrounding lands in the westerly portion of the Southwest Area Plan.

The construction works consist of installation of approximately 500 metres of deep trunk sanitary sewer on Campbell Street from Hamlyn Street to the north limit in the Lambeth Optimist Park, as well as, reconstruction of storm sewer, curb and gutter, and sidewalks on Campbell Street, and replacement of watermain on Campbell Street.

Discussion:

Sanitary sewer construction is scheduled to begin in early July 2016 and will take the remaining construction season to complete the works. Construction activities will progress from the intersection of Campbell Street and Hamlyn Street (including Wharncliffe Road S) and progress northerly on Campbell Street to the north limit of Lambeth Optimist Park.

Infrastructure replacement needs have been coordinated among Wastewater and Drainage Engineering, Water Division, Transportation Division, and Construction Administration for efficient use of funds during construction.

Traffic & Access Impacts:

The project will take advantage of the lower traffic summer months and utilize construction techniques to avoid a complete intersection closure and allow for the intersection to remain open. Construction activities will require traffic capacity to be reduced to two lanes of traffic on Wharncliffe Road South.

During construction, traffic on Campbell Street will be restricted to local traffic. Campbell Street residents and businesses will be kept apprised through daily communications of activities that will have impact on property access and possible disruptions. The contractor and the City's contract administrator will strive to maintain access to local businesses.

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Signage will be provided indicating detour routing to Lambeth Optimist Park and it is anticipated construction will have direct impact on vehicle access to Lambeth Optimist Park in the later months of 2016 (September and beyond). The project timing was set in an attempt to reduce impact on park activities and usage.

Public Consultation:

In December 2015, a public meeting was held with local residents, businesses, and interested stakeholders to share project details and answer questions regarding the project. In 2014, the Southwest Area Sanitary Servicing (SASS) Master Plan engaged residents, local businesses, and land developers in the study area through notices, two public meetings and individual stakeholder meetings.

The project, once complete, provides the opportunity for properties on private systems to voluntarily connect to the municipal sanitary system. Property owners within the project limits also have an opportunity to take advantage of the City's Private Drain Connection (PDC) program which allows existing privately serviced properties on septic system to obtain a PDC at a subsidized cost. Sanitary Frontage Charges and Private Drainage Connection (PDC) charges will apply consistent with the City's By-laws if a property owner chooses to connect to the municipal sanitary sewer system.

Tender Summary:

Four (4) contractors submitted tenders on the project with the tender prices listed below (excluding H.S.T.). Tenders for this project were opened on March 3, 2016.

CONTRACTOR		TENDER PRICE SUBMITTED
1.	Bre-Ex Construction Inc.	\$3,206,841.51
2.	Blue-Con Construction	\$3,599,800.00
3.	Omega Contractors Inc.	\$3,648,332.55
4.	Elgin Construction Ltd	\$3,842,614.33

All tenders have been checked by the Environmental and Engineering Services Department and the City's consultant, AECOM.

The tender estimate prior to tender opening was \$3,200,009.00 excluding H.S.T. and closely matches the tender estimate suggesting a competitive environment. All tenders include a contingency allowance of \$300,000.00, excluding H.S.T.

Minor future additional annual operating costs of \$500.00 are anticipated as a result of this project, noting that these costs are attributed to new infrastructure installation and can be accommodated within future City operating budgets.

Financial Impact:

Funding for this project phase exceeded estimates within the 2014 Development Charge Study due to a complicated intersection crossing and a land purchase needed to facilitate the project. Phase 1 of Southwest Area Trunk Sanitary sewer achieved a surplus in project budget which can cover the budget shortfall.

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Consulting Services:

Council awarded AECOM the detailed design of Phase 2 in February 2015. AECOM has subsequently submitted a proposal to carry out the inspection and contract administration services portions of work. In accordance with Section 15.2 (g) of the City of London’s Procurement of Goods and Services Policy, staff recommend that AECOM be authorized to carry out the remainder of engineering services to complete this project for the provided fee estimate of \$267,349.50, including contingency and excluding H.S.T, noting the upset amount for total engineering services for Phase 2 is \$434,872.50 including contingency, excluding H.S.T.. AECOM has extensive background knowledge of Phase 2 works and is best equipped to carry out engineering duties during construction.

Conclusions:

Staff recommend that the construction contract be awarded to Bre-Ex Construction Inc. to achieve project objectives. It is further recommended AECOM undertake the contract administration and inspection services during construction as it represents good value to the City.

Acknowledgements:

This report was prepared within the Wastewater and Drainage Engineering Division by Marcus Schaum, CET and Erik Veittiaho, P.Eng.

SUBMITTED BY:	REVIEWED & CONCURRED BY:
TOM COPELAND, P. ENG. DIVISION MANAGER WASTEWATER AND DRAINAGE ENGINEERING	JOHN LUCAS, P.ENG. DIRECTOR OF WATER AND WASTEWATER & TREATMENT
RECOMMENDED BY:	
JOHN BRAAM, P.ENG. MANAGING DIRECTOR ENVIRONMENTAL AND ENGINEERING SERVICES & CITY ENGINEER	

April 4, 2016
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Attach: Appendix A – Sources of Financing
Appendix B – Location Figure

- c.c. Bre-Ex Construction Inc.
- AECOM Canada Ltd.
- Pat Shack, Budget Analyst
- Doug MacRae, Division Manager of Transportation
- Ugo DeCandido, Division Manager of Construction Administration
- Andrew MacPherson – Division Manager of Parks Planning & Design

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APPENDIX A
Sources of Financing

APPENDIX 'A'

#16040

Chair and Members
Civic Works Committee

April 1, 2016
(Award Contract)

RE: Growth Management Implementation Strategy (GMIS)
Campbell Street Improvements - Southwest Area Trunk Sanitary Sewer - Phase 2 - T16-13
(Subledger WW140011)
Capital Project ES5260 - Lambeth Southland Servicing Solution (SS3A) DC14-WW00004)
Capital Project EW376516 - Main Replacement Engineering
Bre-Ex Construction Inc. - \$3,206,841.51 (excluding H.S.T.)
AECOM Canada Limited - \$267,349.50 (excluding H.S.T.)

FINANCE & CORPORATE SERVICES REPORT ON THE SOURCES OF FINANCING:

Finance & Corporate Services confirms that the cost of this project can not be accommodated within the financing available for it in the Capital Works Budget and that, subject to the adoption of the recommendations of the Managing Director, Environmental and Engineering Services & City Engineer, the detailed source of financing for this project is:

	Approved Budget	Additional Funding Required 2)	Revised Budget	Committed to Date	This Submission	Balance for Future Work
SUMMARY OF ESTIMATED EXPENDITURES						
ES5260-Lambeth Southland Serv. Solution						
Engineering	\$1,107,636		\$1,107,636	\$870,949	\$236,687	\$0
Land Acquisition	395,763		395,763	395,763		0
Construction	6,419,507	1,036,093	7,455,600	4,622,257	2,833,343	0
Construction (PDC Portion)	44,000	20,000	64,000	44,000	20,000	0
City Related Expenses	17,594		17,594	17,594		0
	<u>7,984,500</u>	<u>1,056,093</u>	<u>9,040,593</u>	<u>5,950,563</u>	<u>3,090,030</u>	<u>0</u>
EW376516-Main Replacement Engineering						
Engineering	153,713		153,713	118,346	35,367	0
Construction	10,346,287		10,346,287	2,596,627	409,939	7,339,721
	<u>10,500,000</u>	<u>0</u>	<u>10,500,000</u>	<u>2,714,973</u>	<u>445,306</u>	<u>7,339,721</u>
NET ESTIMATED EXPENDITURES	<u>\$18,484,500</u>	<u>\$1,056,093</u>	<u>\$19,540,593</u>	<u>\$8,665,536</u>	<u>\$3,535,336</u>	<u>\$7,339,721</u>

SUMMARY OF FINANCING:

ES5260-Lambeth Southland Serv. Solution						
Drawdown from Sewage Works Reserve Fund	\$323,200		\$323,200	\$240,413	\$82,787	\$0
Additional drawdown from Sewage Works Reserve Fund - tsf fr ES5247 Wonderland Rd. S. Trunk Sanitary		42,172	42,172		42,172	0
Drawdown from City Services - Sewers Reserve Fund (Development Charges)	7,617,300		7,617,300	5,666,150	1,951,150	0
Debt Quota (Serviced through City Services - Sewers Reserve Fund (Development Charges) - tsf from ES5247 Wonderland Rd. S. Trunk Sanitary)		993,921	993,921		993,921	0
Cash Recovery from Property Owners (PDC Portion)	44,000	20,000	64,000	44,000	20,000	0
	<u>7,984,500</u>	<u>1,056,093</u>	<u>9,040,593</u>	<u>5,950,563</u>	<u>3,090,030</u>	<u>0</u>
EW376516-Main Replacement Engineering						
Capital Water Rates	5,230,100		5,230,100	2,714,973	445,306	2,069,821
Drawdown from Capital Water Reserve Fund	5,269,900		5,269,900			5,269,900
	<u>10,500,000</u>	<u>0</u>	<u>10,500,000</u>	<u>2,714,973</u>	<u>445,306</u>	<u>7,339,721</u>
TOTAL FINANCING	<u>\$18,484,500</u>	<u>\$1,056,093</u>	<u>\$19,540,593</u>	<u>\$8,665,536</u>	<u>\$3,535,336</u>	<u>\$7,339,721</u>

FINANCIAL NOTE: (CONSTRUCTION)

	ES5260	EW376516	Construction Total
1) Contract Price	\$2,803,993	\$402,849	\$3,206,842
Add: HST @13%	364,519	52,370	416,889
Total Contract Price Including Taxes	3,168,512	455,219	3,623,731
Less: HST Rebate	315,169	45,280	360,449
Net Contract Price - CONSTRUCTION	<u>\$2,853,343</u>	<u>\$409,939</u>	<u>\$3,263,282</u>

FINANCIAL NOTE: (ENGINEERING)

	ES5260	EW376516	Engineering Total
Contract Price	\$232,594	\$34,755	\$267,349
Add: HST @13%	30,237	4,518	34,755
Total Contract Price Including Taxes	262,831	39,273	302,104
Less: HST Rebate	26,144	3,906	30,050
Net Contract Price - ENGINEERING	<u>\$236,687</u>	<u>\$35,367</u>	<u>\$272,054</u>

TOTAL CONSTRUCTION & ENGINEERING:

\$3,535,336

- 2) The additional funding requirement for construction of \$1,036,093 is available as a transfer from Sewage Works Reserve Fund in the amount of \$42,172 and a transfer of debenture quota (serviced through City Services Reserve Fund-Sewers component (DC)) in the amount of \$993,921 from ES5247 Wonderland Road S Trunk Sanitary Sewer. This project, being Phase 1 of the Southwest Area Trunk Sanitary sewer, achieved a surplus and is therefore available to fund the budget shortfall in ES5260 Phase 2 of the Southwest Area Trunk Sanitary Sewer. Cash recovery of \$20,000 from Property Owners for the Private Drain Connections (PDC) is also being added to the budget.
- 3) Development charges have been utilized in accordance with the underlying legislation and the Development Charges Background Studies completed in 2014.

NOTE TO CITY CLERK:

- 4) Administration hereby certifies that the estimated amounts payable in respect of this project does not exceed the annual financial debt and obligation limit for the Municipality of Municipal Affairs in accordance with the provisions of Ontario Regulation 403/02 made under the Municipal Act, and accordingly the City Clerk is hereby requested to prepare and introduce the necessary authorizing by-laws.
An authorizing by-law should be drafted to secure debenture financing for project ES5260 - Lambeth Southland Servicing Solution (SS3A) for the net amount to be debentured of \$993,921.
- 5) Minor future additional annual operating costs of \$500.00 are anticipated as a result of this project, noting that these costs are attributed to new infrastructure installation and can be accommodated within future City operating budgets.

APPENDIX 'A'

#16040

Chair and Members
Civic Works Committee

April 1, 2016
(Award Contract)

RE: Growth Management Implementation Strategy (GMIS)
Campbell Street Improvements - Southwest Area Trunk Sanitary Sewer - Phase 2 - T16-13
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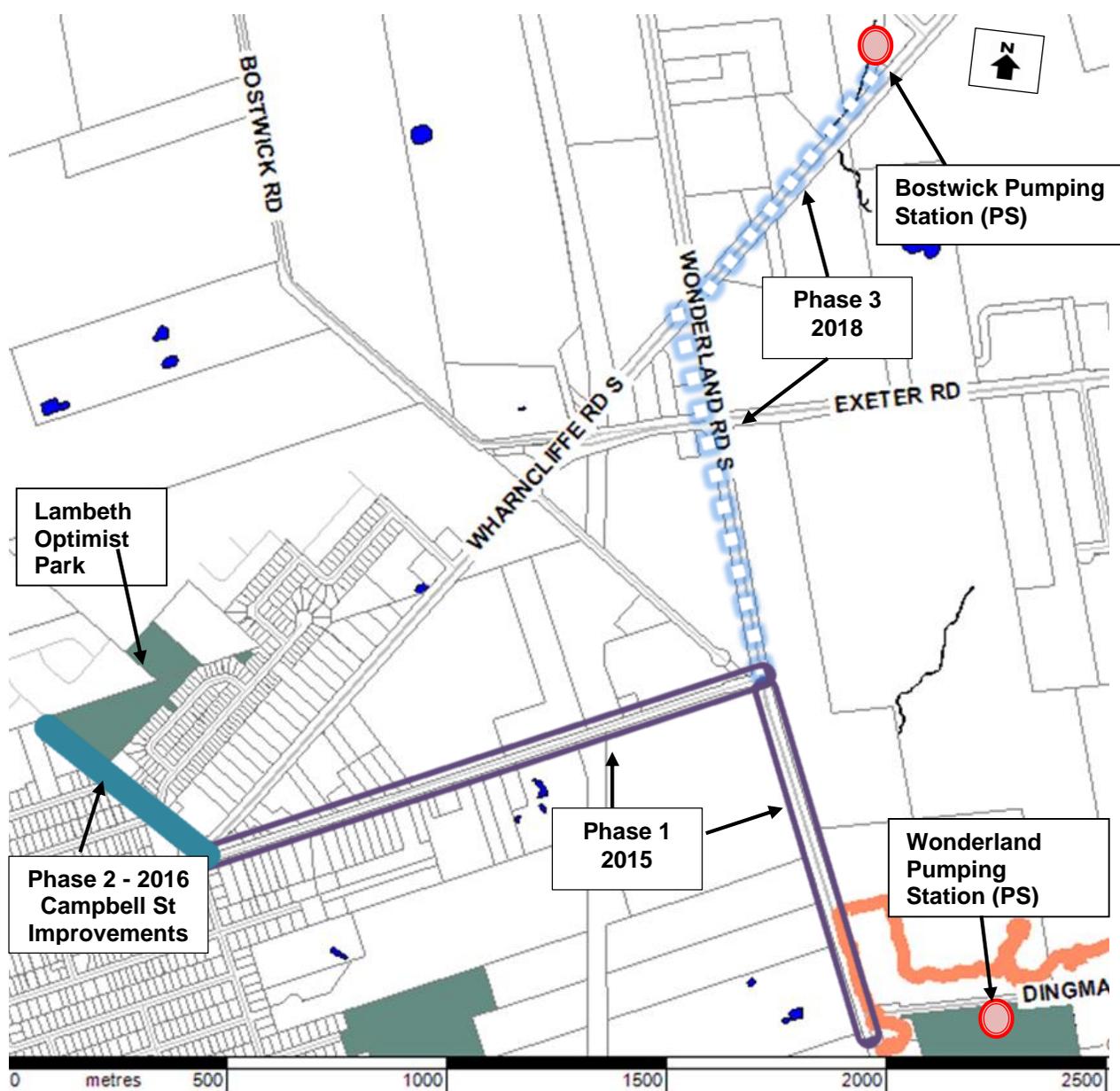
JG

Larry Palarchio
Director of Financial Planning & Policy

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APPENDIX B Figures

Figure A: Location



- Hamlyn Street and Wonderland Road South Sanitary Sewer Project Limits (Phase 1) 
- Campbell Street Project Limits (Phase 2) 
- Wonderland Road South and Wharnccliffe Road South Project Limits (Phase 3) 
- Pumping Station 