

--	--

<b>TO:</b>	<b>CHAIR AND MEMBERS CIVIC WORKS COMMITTEE MEETING ON APRIL 2, 2012</b>
<b>FROM:</b>	<b>JOHN BRAAM, P. Eng. ACTING EXECUTIVE DIRECTOR, PLANNING, ENVIRONMENTAL &amp; ENGINEERING SERVICES &amp; CITY ENGINEER</b>
<b>SUBJECT:</b>	<b>CONTRACT AWARD: 2012 INFRASTRUCTURE LIFECYCLE RENEWAL PROGRAM CONTRACT # 4 GLEBE, LYLE AND HEWITT STREET RECONSTRUCTION TENDER NO 12-04</b>

<b>RECOMMENDATION</b>
-----------------------

That, on the recommendation of the Acting Executive Director, Planning, Environmental & Engineering Services & City Engineer, the following actions **BE TAKEN** with respect to the award of contract for the 2012 Infrastructure Lifecycle Renewal Program, Contract # 4: Glebe Street, Lyle Street and Hewitt Street Reconstruction Project. (EW3765-12, ES2414-12, TS4067-11).

- (a) the bid submitted by Bre-Ex Limited., 247 Exeter Road, London, Ontario, N6L 1A5, at its tendered price of \$1,329,517.40 (excluding H.S.T.), for the 2012 Infrastructure Lifecycle Renewal Program, Contract # 4, **BE ACCEPTED**; it being pointed out that the bid submitted by Bre Ex Limited was the lowest of Five bids received and meets the City's specifications and requirements in all areas;
- (b) Delcan Corporation, 1069 Wellington Road South, Suite 214, London, Ontario, N6E 2H6, **BE AUTHORIZED** to carry out the resident inspection and contract administration for the said project in accordance with the estimate, on file, at an upset amount of \$158,027.10 (excluding H.S.T.), noting that this firm completed the engineering design, 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;
- (c) minor future additional annual operating costs of \$2000.00 **BE RECOGNIZED** as a result of this project noting that these costs are as a result of new infrastructure installation and will be considered and accommodated within future Wastewater & Treatment operating budgets;
- (d) the financing for this project **BE APPROVED** as set out in the Sources of Financing Report attached hereto as Appendix "A";
- (e) the Civic Administration **BE AUTHORIZED** to undertake all the administrative acts that are necessary in connection with this project;
- (f) 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 (Tender 12-04); and
- (g) 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**

- Appointment of Consulting Engineers Infrastructure Lifecycle Renewal and Growth Management Implementation Strategy Programs 2012 -2013 (Contract #4), Built and Natural Environment Committee, July 18, 2011, Agenda # 6

**Purpose:**

This report recommends award of tender to a contractor and continuation of consulting services for the reconstruction of Glebe Street between York Street and King Street, Lyle Street between York Street and King Street and Hewitt Street between King Street and Dundas Street. This work includes installation of new storm sewers, replacement of sanitary sewers, watermain and lead water service replacement, construction of new sidewalks, curb and gutter, and asphalt road. As part of this project a new storm sewer will be installed including road works on Dundas Street between Hewitt Street and English Street.

Infrastructure replacement needs have been coordinated with Wastewater and Drainage Engineering, Water Engineering, Transportation Planning and Design, and Construction Administration for efficient use of funds during construction. Additionally, replacement needs have been coordinated with external utilities and as a result work required by London Hydro will be completed on Hewitt Street prior to the start of our work on the street. Incorporation of this work results in cost savings being recognised by both parties due to increased efficiencies and the limiting of potential future work.

**Discussion:**

The reconstruction of Glebe, Hewitt and Lyle Street is included in the approved 2012 Water Capital Works Budget and 2012 Wastewater & Treatment Capital Works Budget. These streets have been identified as a high priority in the replacement programs due to the poor condition of the municipal infrastructure. The sewers, watermain and services on these streets were originally installed between 1890 and 1920. The existing sewers and watermain in this project have reached the end of their life expectancy. In addition, there are currently no storm sewers within the project limits. Introducing 375 meters of new storm sewers will provide increased surface flooding protection to the neighborhood, noting surface flooding can be a contributing factor to basement flooding.

This project also effectively removes some minor portions of combined sewers in the general area. Removing storm water from the sanitary sewer reduces costs to the City to treat storm water at the Pollution Control Plants. Removing these extraneous flows also will result in fewer CSO's at the plants providing direct environmental benefits.

St. Mary's Elementary Catholic School is located within the limits of this contract at the corner of Lyle Street and King Street. Taking into consideration the safety of the school community, the project is scheduled to be constructed in three phases. The first phase may start in early May and consist of work on Glebe Street. The second Phase should commence in early June and consist of work on Hewitt Street and Dundas Street. Traffic will be maintained in both directions on Dundas Street during the planned work on Dundas Street. The third phase should commence in July when classes at St.Mary's are out of session and involves work on Lyle Street.

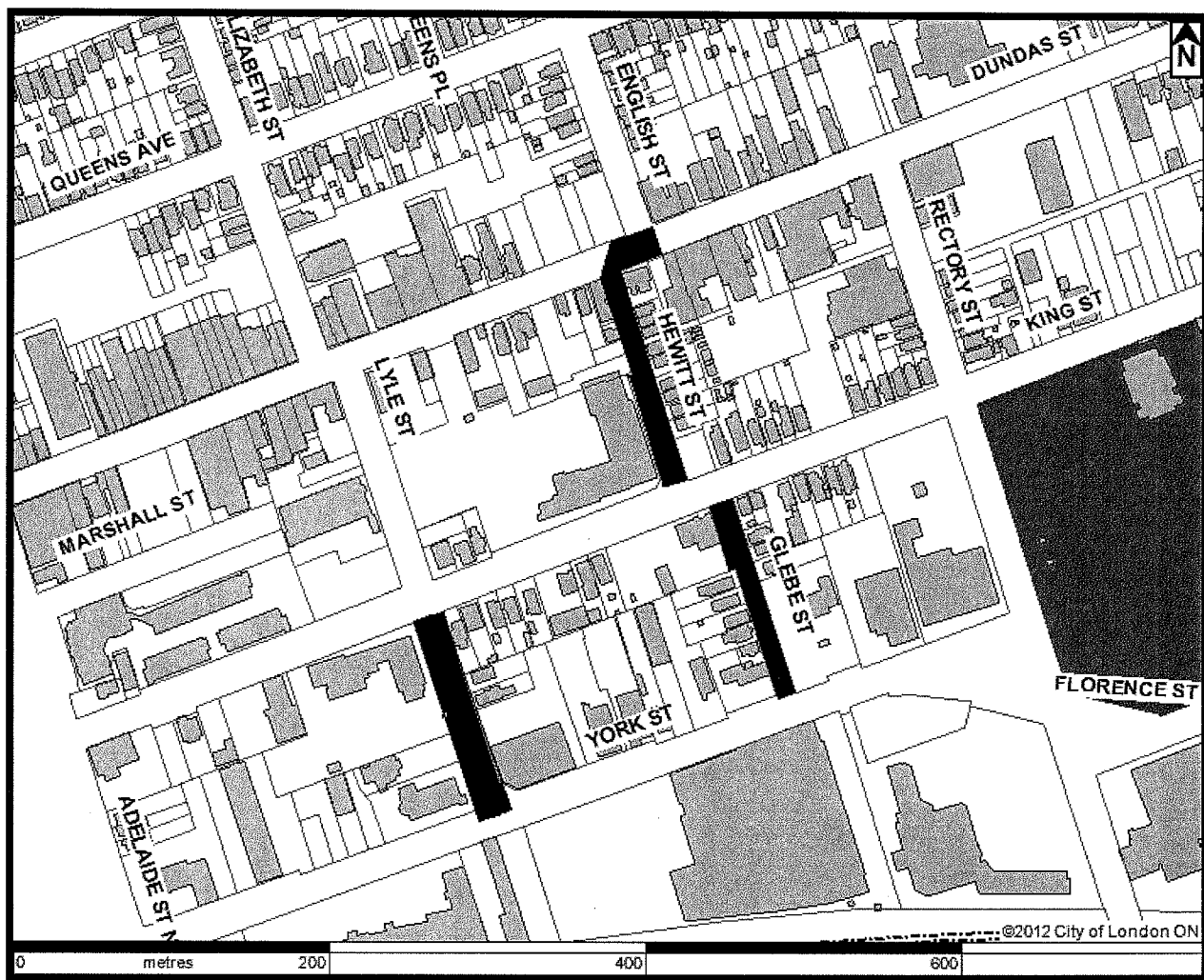
As part of this contract, work will have to be undertaken in the Lyle and York intersection. The nature of this work requires the complete closure of York Street at this location for a weekend noting access to businesses will be maintained. The weekend closure is the preferred option as it is safer and will reduce traffic and safety issues. The closure relative to other options mitigates social impact on residents, the adjacent church (St.Mary's), businesses and commuters in the construction zone and minimizes LTC bus disruption. It incorporates significant cost savings and helps with the greater project's schedule.

Agenda Item #      Page #

--	--

A public information session was held in December 2011 specifically for all owners and residents within and immediately bordering the project area to address questions and concerns.

A Project Location map is included below for reference.



In conjunction with the construction of this Capital Works Project, the City is administering the Private Drain Connection (PDC) program which allows homeowners within the project limits, an opportunity to voluntarily replace their PDC's at a subsidized cost under the authority of City By-laws. Similarly the Lead Replacement Program is also covered by City By-laws. As part of this project, the water service connection will be replaced to property line at the City's cost and the homeowner may elect to replace their private side connection at their cost. Homeowners may be eligible to participate in the Lead Service Extension Replacement Loan Program.

--	--

**Tender Summary:**

Tenders for the 2012 Infrastructure Lifecycle Renewal Program, Contract # 4 were opened on February 22 2012. Five (5) contractors submitted tender prices al listed below (exclusive of H.S.T.).

CONTRACTOR		TENDER PRICE SUBMITTED	CORRECTED TENDER PRICE
1.	Bre Ex Limited	\$1,329,517.40	---
2.	291 Construction	\$1,393,604.02	---
3.	Tri-Con Excavating Inc.	\$1,471,681.42	---
4.	Omega Contractors	\$1,472,337.01	\$1,472,373.01
5.	Blue-Con Construction	\$1,473,589.20	---

All tenders have been checked by the City’s project manager and our consultant, Delcan Corporation. One (1) of the tender bids contained a mathematical error. The corrections had no affect on the ranking of the tenders.

The tender estimate just prior to tender opening was \$1,509,318.50 (excluding H.S.T.). All tenders include a contingency allowance of \$150,000.00 (excluding H.S.T.).

Minor future additional annual operating costs of \$2000.00 are recognized as a result of this project noting that these costs are attributed to new infrastructure installation and will be considered and accommodated within future Wastewater and Treatment operating budgets.

**Consulting Services:**

Delcan Corporation was awarded the detailed design by Council on July 25, 2011. Due to their knowledge and experience with this project, Delcan Corporation was requested to submit a proposal to carry out the contract administration and resident supervision for this project. In accordance with Section 15.2 (g) of the City of London’s Procurement of Goods and Services Policy, the administration is recommending that Delcan Corporation be authorized to carry out the remainder of engineering services to complete this project for the provided fee estimate of \$158,027.10 (excluding H.S.T.), noting the upset amount for total engineering services for the project is \$334,590.28 (excluding H.S.T.) spread over 2011 and 2012.

**Conclusions:**

Award of this contract to Bre-Ex Limited will allow the project objectives to be met within the available budget.

Appointing Delcan Corporation consulting engineer for the remainder of engineering services for this project is in the best financial and technical interests of the City.

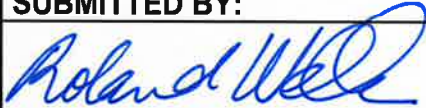

Agenda Item #

Page #

--	--

**Acknowledgements:**

This report was prepared within the Water Engineering Division by Dave Chromczak, Technologist.

<b>SUBMITTED BY:</b>	<b>RECOMMENDED BY:</b>
	
<b>ROLAND WELKER, P. ENG. DIVISION MANAGER WATER ENGINEERING</b>	<b>JOHN BRAAM, P.ENG. ACTING EXECUTIVE DIRECTOR, PLANNING, ENVIRONMENTAL &amp; ENGINEERING SERVICES &amp; CITY ENGINEER</b>

March 14, 2012

RW/dc

Attach: Appendix "A" – Sources of Financing  
 c.c. Bre Ex Ltd. Tom Copeland Shane Maguire  
 Delcan Corp Justin Laurence

**APPENDIX 'A'**

#12036

Chair and Members  
Civic Works Committee

March 23, 2012  
(Award Contract)

**RE: 2012 Infrastructure Lifecycle Renewal Program Contract #4**  
**Glebe, Lyle and Hewitt Street Reconstruction**  
**Capital Project ES2414-12 - 2012 Sewer Replacement**  
**Capital Project ES2414 - 2010 Sewer Replacement Program**  
**Capital Project EW3765-12 - 2012 Main Replacement**  
**Capital Project TS4067-11 - 2011 Traffic Signals Mtce.**  
**Bre-Ex Limited - \$1,329,517.40 (excluding H.S.T.)**  
**Delcan Corporation - 158,027.10 (excluding H.S.T.)**

**FINANCE DEPARTMENT REPORT ON THE SOURCES OF FINANCING:**

Finance Department confirms that the cost of this project can be accommodated within the financing available for it in the Capital Works Budget and that, subject to the adoption of the recommendations of the Acting Executive Director, Planning, Environmental & Engineering Services and City Engineer, the detailed source of financing for this project is:

<b><u>ESTIMATED EXPENDITURES</u></b>	<b><u>Approved Budget</u></b>	<b><u>Revised Budget</u></b>	<b><u>Committed to Date</u></b>	<b><u>This Submission</u></b>	<b><u>Balance for Future Work</u></b>
<b><u>ES2414-12 - 2012 Sewer Replacement</u></b>					
Engineering	\$58,294	\$58,294			\$58,294
Construction	8,976,706	8,976,706		706,520	8,270,186
Construction (PDC Portion)		4,000		4,000	0
City Related Expenses	5,000	5,000	3,500		1,500
	<u>9,040,000</u>	<u>9,044,000</u>	<u>3,500</u>	<u>710,520</u>	<u>8,329,980</u>
<b><u>ES2414 - 2010 Sewer Replacement Program</u></b>					
Engineering	1,906,431	1,906,431	1,831,231	75,200	0
Land Acquisition	13,455	13,455	13,455		0
Construction	9,009,833	9,009,833	6,692,248		2,317,585
Construction (PDC Portion)	483,400	483,400	483,400		0
City Related Expenses	108,368	108,368	108,368		0
	<u>11,521,487</u>	<u>11,521,487</u>	<u>9,128,702</u>	<u>75,200</u>	<u>2,317,585</u>
<b><u>EW3765-12 - 2012 Main Replacement</u></b>					
Engineering	340,000	340,000		75,199	264,801
Construction	5,706,500	5,706,500		562,972	5,143,528
Relocate Utilities	65,000	65,000			65,000
City Related Expenses	23,500	23,500	563		22,937
	<u>6,135,000</u>	<u>6,135,000</u>	<u>563</u>	<u>638,171</u>	<u>5,496,266</u>
<b><u>TS4067-11 - 2011 Traffic Signals Mtce.</u></b>					
Engineering	111,592	111,592	101,182	10,410	0
Construction	331,345	331,345	251,920	79,425	0
Traffic Signals	1,117,063	1,117,063	274,971		842,092
	<u>1,560,000</u>	<u>1,560,000</u>	<u>628,073</u>	<u>89,835</u>	<u>842,092</u>
<b>NET ESTIMATED EXPENDITURES</b>	<b><u>\$28,256,487</u></b>	<b><u>\$28,260,487</u></b>	<b><u>\$9,760,838</u></b>	<b><u>\$1,513,726</u></b> <sup>1)</sup>	<b><u>\$16,985,923</u></b>
<b><u>SOURCE OF FINANCING:</u></b>					
<b><u>ES2414-12 - 2012 Sewer Replacement</u></b>					
Drawdown from Sewage Works Reserve Fund	\$6,290,000	\$6,290,000			\$6,290,000
Federal Gas Tax	2,750,000	2,750,000	3,500	706,520	2,039,980
Cash Recovery from Property Owners (PDC Portion)		4,000		4,000	0
	<u>9,040,000</u>	<u>9,044,000</u>	<u>3,500</u>	<u>710,520</u>	<u>8,329,980</u>
<b><u>ES2414 - 2010 Sewer Replacement Program</u></b>					
Debenture By-law No. W.-5311-269	532,899	532,899			532,899
Capital Sewer Rates	210,000	210,000	210,000		0
Drawdown from Sewage Works R.F.	7,195,188	7,195,188	5,335,302	75,200	1,784,686
Federal Gas Tax	3,100,000	3,100,000	3,100,000		0
Cash Recovery from Property Owners (PDC Portion)	483,400	483,400	483,400		0
	<u>11,521,487</u>	<u>11,521,487</u>	<u>9,128,702</u>	<u>75,200</u>	<u>2,317,585</u>
<b><u>EW3765-12 - 2012 Main Replacement</u></b>					
Capital Water Rates	6,135,000	6,135,000	563	638,171	5,496,266
<b><u>TS4067-11 - 2011 Traffic Signals Mtce.</u></b>					
Capital Levy	827,000	827,000	628,073	89,835	109,092
Debenture By-Law No. W.-5294-150	733,000	733,000			733,000
	<u>1,560,000</u>	<u>1,560,000</u>	<u>628,073</u>	<u>89,835</u>	<u>842,092</u>
<b>TOTAL FINANCING</b>	<b><u>\$28,256,487</u></b>	<b><u>\$28,260,487</u></b>	<b><u>\$9,760,838</u></b>	<b><u>\$1,513,726</u></b>	<b><u>\$16,985,923</u></b>

Chair and Members  
Civic Works Committee

March 23, 2012  
(Award Contract)

**RE: 2012 Infrastructure Lifecycle Renewal Program Contract #4**  
**Glebe, Lyle and Hewitt Street Reconstruction**  
**Capital Project ES2414-12 - 2012 Sewer Replacement**  
**Capital Project ES2414 - 2010 Sewer Replacement Program**  
**Capital Project EW3765-12 - 2012 Main Replacement**  
**Capital Project TS4067-11 - 2011 Traffic Signals Mtce.**  
**Bre-Ex Limited - \$1,329,517.40 (excluding H.S.T.)**  
**Delcan Corporation - 158,027.10 (excluding H.S.T.)**

1) <b>Financial Note:</b>	<u>ES2414-12</u>	<u>ES2414</u>	<u>EW3765-12</u>	<u>TS4067-11</u>	<u>TOTAL</u>
Contract Price - <b>CONSTRUCTION</b>	\$698,231		\$553,235	\$78,051	\$1,329,517
Add: HST @13%	90,770		71,921	10,147	172,838
Total Contract Price Including Taxes	789,001		625,156	88,198	1,502,355
Less: HST Rebate	78,481		62,184	8,773	149,438
Net Contract Price	<u>\$710,520</u>		<u>\$562,972</u>	<u>\$79,425</u>	<u>\$1,352,917</u>
Contract Price - <b>ENGINEERING</b>		\$73,899	\$73,898	\$10,230	\$158,027
Add: HST @13%		9,607	9,607	1,330	20,544
Total Contract Price Including Taxes		83,506	83,505	11,560	178,571
Less: HST Rebate		8,306	8,306	1,150	17,762
Net Contract Price		<u>\$75,200</u>	<u>\$75,199</u>	<u>\$10,410</u>	<u>\$160,809</u>
<b>TOTAL CONSTRUCTION &amp; ENGINEERING</b>	<u>\$710,520</u>	<u>\$75,200</u>	<u>\$638,171</u>	<u>\$89,835</u>	<u>\$1,513,726</u>

2) Minor future additional annual operating costs of \$2,000 are recognized as a result of this project noting that these costs are attributed to new infrastructure installation and will be considered and accommodated within future Wastewater and Treatment operating budgets.

JG



Alan Dunbar  
Manager of Financial Planning & Policy