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TO:	CHAIR AND MEMBERS CIVIC WORKS COMMITTEE MEETING ON APRIL 2, 2012
FROM:	JOHN BRAAM, P. Eng. ACTING EXECUTIVE DIRECTOR, PLANNING, ENVIRONMENTAL & ENGINEERING SERVICES & CITY ENGINEER
SUBJECT:	CONTRACT AWARD: TENDER NO. 12-08 2012 INFRASTRUCTURE LIFECYCLE RENEWAL PROGRAM CONTRACT#6: ST.GEORGE & SYDENHAM STREET RECONSTRUCTION

RECOMMENDATION

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 contracts for the 2012 Lifecycle Renewal Program, Contract #6: St. George and Sydenham Reconstruction Project (ES2414-12, EW3765-12).

- (a) the bid submitted by Omega Contractors Inc (Omega), 4104 Breck Ave., London ON, N6L 1B5, at its tendered price of \$1,647,266.90 (excluding H.S.T.), for the 2012 Infrastructure Lifecycle Renewal Program, Contract #6 project, **BE ACCEPTED**; it being pointed out that the bid submitted by Omega was the lowest of ten bids received and meets the City's specifications and requirements in all areas;
- (b) AECOM Canada Ltd., 410 – 250 York Street, Citi Plaza, London, Ontario, N6A 6K2, **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 \$149,935.50 (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 \$600.00 **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 12-08); 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
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- Appointment of Consulting Engineers Infrastructure Lifecycle Renewal and Growth Management Implementation Strategy Programs 2012 -2013 (Contract #6), Built and Natural Environment Committee, July 18, 2011, Agenda # 6.

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BACKGROUND

Purpose:

This report recommends award of tender to a contractor and continuation of consulting services for the reconstruction of:

St. George Street from Oxford Street to St. James Street
 Sydenham Street from Talbot Street to Richmond Street

This work includes installation of new storm sewers, replacement of existing sanitary sewers, watermain and lead water service replacement, construction of new sidewalks, curb and gutter, and asphalt road.

Infrastructure replacement needs have been coordinated with Wastewater and Drainage Engineering (WADE), 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 Bell Canada has been incorporated into the project. 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 St. George and Sydenham Streets is included in the approved 2012 Wastewater & Treatment and Water 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 sanitary sewer, private drain connections and cast iron watermains on these streets were originally installed between 1905 and 1910. The sewers and water mains in these locations have reached the end of their life expectancy. In addition, there are currently no storm sewers within the project limits. Introducing 485 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.

The construction program also includes replacement of lead water services, replacement of private drain connections, replacement of curb and gutter, new sidewalks and full asphalt road replacement for the full limits of construction.

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 combined sewer overflows at the plants providing direct environmental benefits.

As part of this contract, work will have to be undertaken in the St. George Street / Oxford Street intersection. The nature and depth of this work requires the closure of 3 of the 5 lanes in this location for 1 to 2 days on a weekend noting reduced 2 way traffic will be maintained. The weekend closure is the preferred option as it will reduce traffic and safety issues and will limit impact on local businesses and weekday commuter and commercial traffic. The closure relative to other options mitigates social impact on residents, businesses and commuters as well as minimizing LTC bus disruption. Additionally, the weekend work incorporates some cost savings and helps with the greater projects schedule.

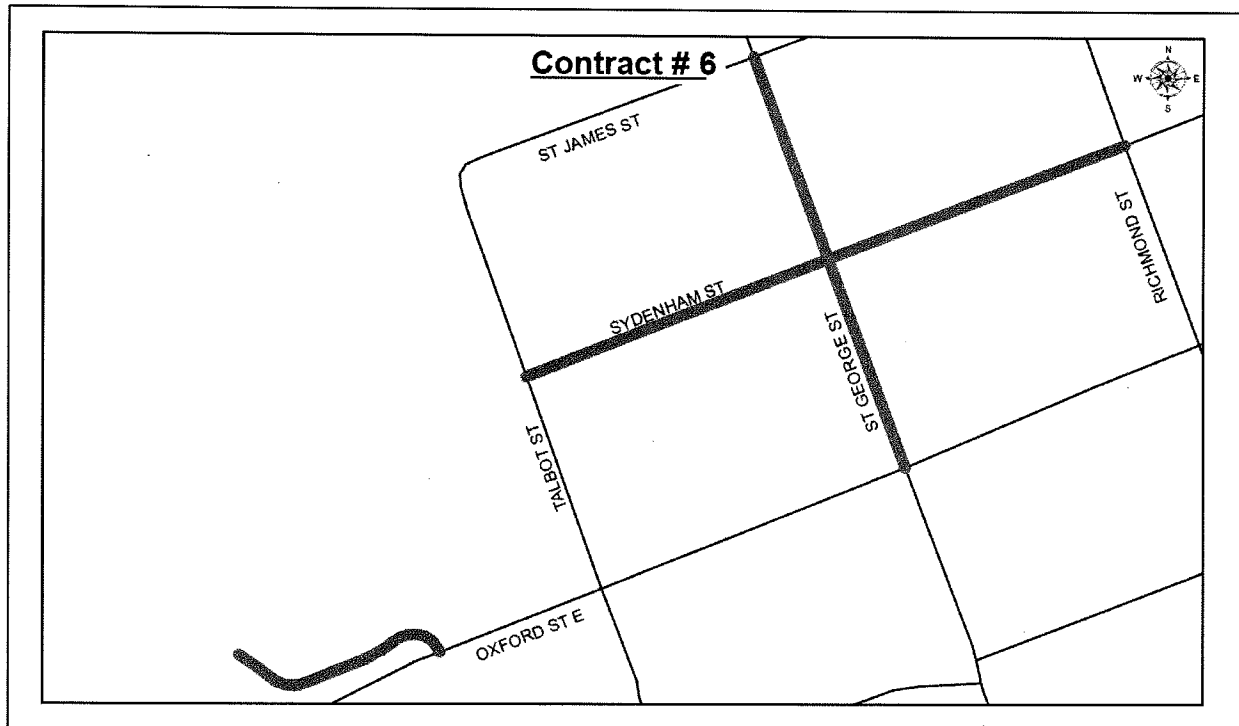
A section of Sanitary Sewer on Oxford Street East was originally targeted for replacement and was included as part of this project. Reevaluation by AECOM and WADE Staff allowed us to remove this sewer from the tender and proposed contract. At significant cost savings to the City, it will now be targeted for limited repair work by the Sewer Operations Group.

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.

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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 property owners within the projects 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 property owner 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 #6 Project were opened on February 15, 2012. Ten (10) contractors submitted tender prices as listed below (exclusive of H.S.T.).

	CONTRACTOR	TENDER PRICE SUBMITTED	CORRECTED TENDER PRICE
1.	Omega Contractors	\$1,647,266.90	
2.	Van Bree Drainage	\$1,707,704.80	
3.	J-AAR Excavating Limited	\$1,737,053.90	
4.	Bre-Ex Limited	\$1,802,135.20	\$1,801,505.21
5.	Aar-Con Excavating	\$1,802,212.39	
6.	Blue-Con Construction	\$1,830,088.50	\$1,830,088.00
7.	C.H. Excavating Limited	\$1,833,800.00	
8.	Tri-Con Excavating	\$1,838,047.10	\$1,838,272.10
9.	291 Construction	\$1,936,895.50	
10.	L-82 Construction Limited	\$2,173,545.13	

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All tenders have been checked by the City's consultant AECOM. Three (3) of the tender bids contained mathematical errors. The corrected amounts had no affect on the ranking of the three lowest tenders.

The tender estimate just prior to tender opening was \$1,985,934.00 (excluding H.S.T.). The low tender is about 20% below the estimate indicating a very competitive environment and illustrates the benefit of tendering projects early in the construction season. All tenders include a contingency allowance of \$160,000.00 (excluding H.S.T.).

Minor future additional annual operating costs of \$600.00 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 & Treatment operating budgets.

Consulting Services:

AECOM was awarded the detailed design by Council on July 25, 2011. Due to their knowledge and experience with this project, AECOM Canada Ltd. 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 AECOM be authorized to carry out the remainder of engineering services to complete this project for the provided fee estimate of \$149,935.50 (excluding H.S.T.), noting the upset amount for total engineering services for the project is \$311,597.00 (excluding H.S.T.) spread over 2011 – 2012.


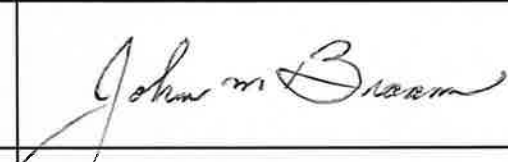
Conclusions:

Award of the construction contract to Omega will allow the project objectives to be met within the available budget.

The use of AECOM for the remainder of engineering services for this project is in the best financial and technical interests of the City.

Acknowledgements:

This report was prepared within the Wastewater and Drainage Engineering Division by Ugo DeCandido, Environmental Services Engineer, and Jeff Conrad, Technologist.

SUBMITTED BY:	RECOMMENDED BY:
	
TOM COPELAND, P. ENG. DIVISION MANAGER WASTEWATER AND DRAINAGE ENGINEERING	JOHN BRAAM, P.ENG. ACTING EXECUTIVE DIRECTOR, PLANNING, ENVIRONMENTAL & ENGINEERING SERVICES & CITY ENGINEER

March 12, 2012

UD/jc
Attach: Appendix "A" – Sources of Financing

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c.c. Omega Contracting Inc.
AECOM Canada Ltd.
Roland Welker
Justin Lawrence

Chair and Members
Civic Works Committee

March 23, 2012
(Award Contract)

RE: 2012 Infrastructure Lifecycle Renewal Program - Contract #6
St. George & Sydenham Street Reconstruction
Capital Project ES2414-12 - 2012 Sewer Replacement
Capital Project ES2414 - 2010 Sewer Replacement Program
Capital Project EW3765-12 - 2012 Main Replacement
Omega Contractors Inc. - \$1,647,266.90 (excluding H.S.T.)
AECOM Canada Ltd. - \$149,935.50 (excluding HST)

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 & City Engineer, the detailed source of financing for this project is:

ESTIMATED EXPENDITURES	Approved Budget	Revised Budget	Committed to Date	This Submission	Balance for Future Work
ES2414-12 - 2012 Sewer Replacement					
Engineering	\$58,294	\$58,294			\$58,294
Construction	8,976,706	8,976,706	706,520	897,191	7,372,995
Construction (PDC Portion)	4,000	24,000	4,000	20,000	0
City Related Expenses	5,000	5,000	3,500		1,500
	<u>9,044,000</u>	<u>9,064,000</u>	<u>714,020</u>	<u>917,191</u>	<u>7,432,789</u>
ES2414 - 2010 Sewer Replacement Program					
Engineering	1,982,719	1,982,719	1,906,431	76,288	0
Land Acquisition	13,455	13,455	13,455		0
Construction	8,933,545	8,933,545	6,692,248		2,241,297
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>9,203,902</u>	<u>76,288</u>	<u>2,241,297</u>
EW3765-12 - 2012 Main Replacement					
Engineering	340,000	340,000	75,199	76,288	188,513
Construction	5,706,500	5,706,500	562,972	759,068	4,384,460
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>638,734</u>	<u>835,356</u>	<u>4,660,910</u>
NET ESTIMATED EXPENDITURES	<u>\$26,700,487</u>	<u>\$26,720,487</u>	<u>\$10,556,656</u>	<u>\$1,828,835</u>	<u>\$14,334,996</u>
SOURCE OF FINANCING:					
ES2414-12 - 2012 Sewer Replacement					
Drawdown from Sewage Works Reserve Fund	\$6,290,000	\$6,290,000			\$6,290,000
Federal Gas Tax	2,750,000	2,750,000	710,020	897,191	1,142,789
Cash Recovery from Property Owners (PDC Portion)	4,000	24,000	4,000	20,000	0
	<u>9,044,000</u>	<u>9,064,000</u>	<u>714,020</u>	<u>917,191</u>	<u>7,432,789</u>
ES2414 - 2010 Sewer Replacement Program					
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 Reserve Fund	7,195,188	7,195,188	5,410,502	76,288	1,708,398
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>9,203,902</u>	<u>76,288</u>	<u>2,241,297</u>
EW3765-12 - 2012 Main Replacement					
Capital Water Rates	6,135,000	6,135,000	638,734	835,356	4,660,910
TOTAL FINANCING	<u>\$26,700,487</u>	<u>\$26,720,487</u>	<u>\$10,556,656</u>	<u>\$1,828,835</u>	<u>\$14,334,996</u>

1) **Financial Note:**

	ES2414-12	EW3765-12	TOTAL
Contract Price - Construction	\$901,327	\$745,940	\$1,647,267
Add: HST @13%	117,173	96,972	214,145
Total Contract Price Including Taxes	1,018,500	842,912	1,861,412
Less: HST Rebate	101,309	83,844	185,153
Net Contract Price	<u>\$917,191</u>	<u>\$759,068</u>	<u>\$1,676,259</u>

	ES2414	EW3765-12	TOTAL
Contract Price - Engineering	\$74,968	\$74,968	\$149,936
Add: HST @13%	9,746	9,746	19,492
Total Contract Price Including Taxes	84,714	84,714	169,428
Less: HST Rebate	8,426	8,426	16,852
Net Contract Price	<u>\$76,288</u>	<u>\$76,288</u>	<u>\$152,576</u>

Total Construction & Engineering

\$1,828,835

2) Minor future additional annual operating costs of \$600 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 & Treatment operating budgets.



Alan Dunbar
Manager of Financial Planning & Policy