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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 12-16 CONTRACT 2A: STANLEY STREET PUMPING STATION CONSTRUCTION PROJECT ES2414/ES5084-11**

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 a contract for the Stanley Street Sanitary Pumping Station construction project (ES2414/ES5084-11).

(a) the bid submitted by Hayman Construction Inc. (Hayman), 636 Wellington Street, London, ON, N6A 3R9, at its tendered price of $962,700.00 (excluding H.S.T.), for the construction of the new Stanley Street Sanitary Pumping Station **BE ACCEPTED**; it being noted that the bid submitted by Hayman, was the lowest of 4 bids received and meets the City's specifications and requirements in all areas;

(b) Dillon Consulting Limited (Dillon), 130 Dufferin Avenue, Suite 1400, London, ON N6A 5R2, **BE AUTHORIZED** to complete the remainder of design and carry out resident inspection and contract administration for the said project in accordance with the estimate, on file, at an upset amount of $180,459.40 (excluding H.S.T.) noting that this firm completed the Environmental Assessment (EA) and 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 additional annual operating costs of $5,000.00 **BE RECOGNIZED** as a result of this project noting that these costs are due to 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) Chief Surveyor **BE DIRECTED** to initiate the process to legally close the easterly 50 metres of Becher Street that is no longer travelled, and to initiate the process to dedicate and name the easterly 70 metres of Becher Street that is publically travelled, thus resulting in the realignment of the east end of Becher Street;

(e) the Civic Administration **BE AUTHORIZED** to undertake all the administrative acts that are necessary in connection with this project noting in the event that the Committee of Adjustment denies the Minor Variance application, that Civic Administration be directed to appeal the decision, and the City Solicitors office be directed to take all necessary steps to support Councils position,

(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 12-16); and

(g) the Mayor and City Clerk **BE AUTHORIZED** to execute any contract or other documents, if required, to give effect to these recommendations.

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PREVIOUS REPORTS PERTINENT TO THIS MATTER

- ETC, 2010-05-10, Agenda Item 3 - Appointment of Consulting Engineers Infrastructure Lifecycle Renewal Program, 2011 No. ES2414;
- BNEC, 2011-04-20, Agenda Item 5 - 2011 Infrastructure Lifecycle Renewal Program; Contract#2, Stanley Street - Extension of Consulting Services No. ES 2414-11;
- BNEC, 2011-11-28, Agenda Item 3 - Stanley Street Sanitary Sewage Pumping Station Environmental Assessment & Screening Report Executive Summary;

BACKGROUND

Purpose:

This report recommends award of tender to a contractor and continuation of consulting engineering services for the construction of the Stanley Street Pumping Station.

This work consists of a new sanitary sewage pumping station to replace the existing deficient Stanley Street sanitary siphon pipe beneath the Thames River. The new pumping station will be located at the east end of Becher Street (near the King Street footbridge over the Thames River) and will include a new control building to house electrical equipment, underground valve chambers and pumping station, driveway, landscaping and fence around the site.

The pumping station project is a prerequisite to the 2012 Stanley Street Infrastructure Lifecycle Renewal project which is currently out for tender. That project involves the replacement of the existing combined sewers along Stanley Street with separate sanitary and storm sewers along with other infrastructure upgrades.

Context:

In 2010, Dillon was retained by the City of London (the City) to act as consulting engineer for the reconstruction of Stanley Street from Wharncliffe Road to the Thames River as part of the 2011 Infrastructure Lifecycle Renewal Program, Contract #2.

As preliminary design progressed, it became evident that the existing sanitary sewer siphon outlet pipe beneath the Thames River servicing the residents of Stanley Street and a small area at the north end of Wortley Village is nearing the end of its service life (constructed in about 1922), is in poor condition, represents a significant operational and environmental liability to the City, and is no longer suitable to serve as the outlet. Due to the poor condition of this siphon, alternatives to convey sewage were considered and a small sanitary sewage pumping station was determined to be the only reasonable alternative. In April 2011 the City retained Dillon to complete a Schedule B Class EA and a Functional Design to confirm the location of a new sanitary sewage pumping station outlet for Stanley Street and the north Wortley Village area.

The EA document was finalized and the Notice of Completion was filed on January 7, 2012. Detailed design, approvals and tendering activities were then undertaken by Dillon.

Public and agency consultation was paramount throughout the EA and design stages of this project. Two public information sessions were held. The first session was in conjunction with the EA and was held in October 2011. The second session was held in February 2012, specifically for all owners and residents within and immediately bordering the project area to convey the final design and to address questions and concerns. Upper Thames River Conservation authority played a lead role ensuring the final design did not impact regulated areas and that their policy objectives were met. In addition, members of the Riverforks Community Association were involved from project conception and added valuable input to the project. The Pumping Station control building has been designed to complement the existing community noting the Urban Design Peer Review Panel provided helpful feedback including acceptance of the final architectural design.

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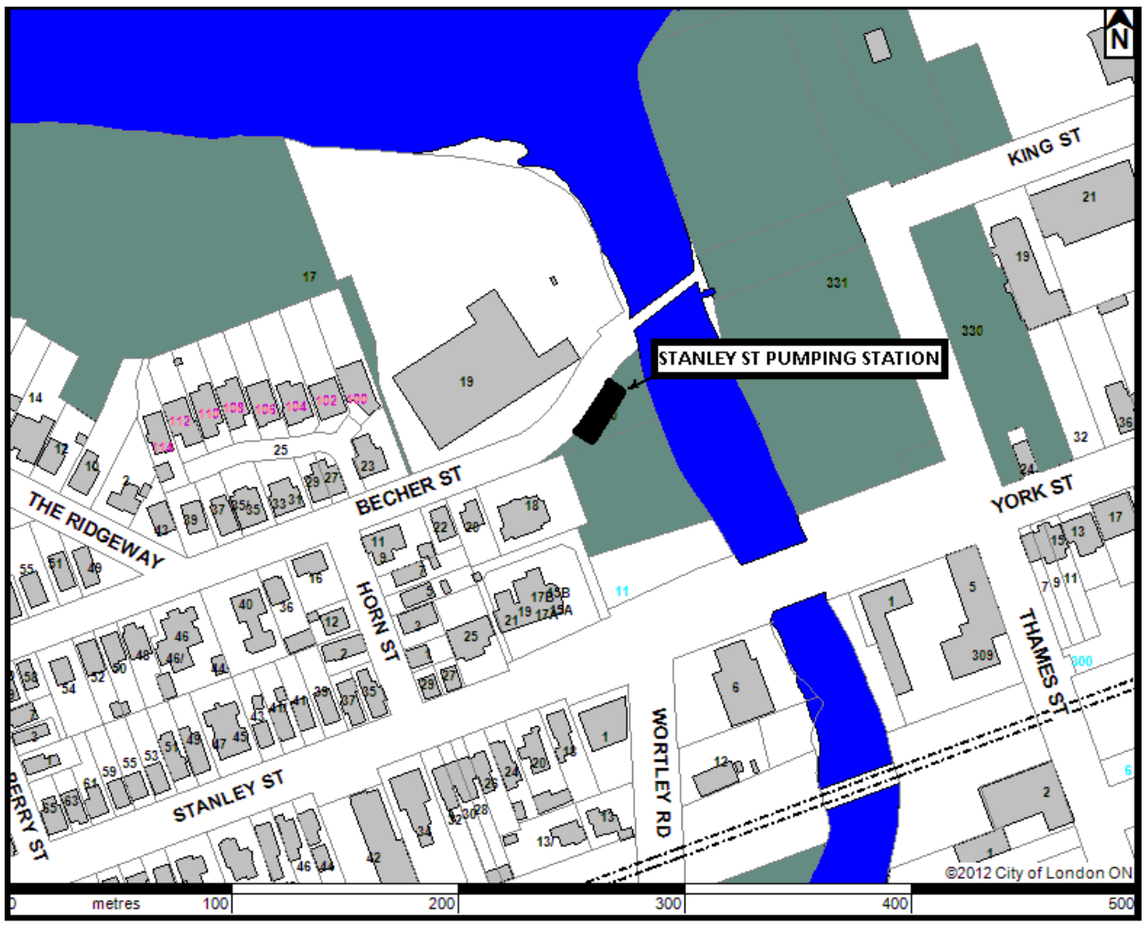
As a housekeeping exercise, the City of London's Chief Surveyor initiated the process to legally close the easterly 50 metres of Becher Street that was no longer travelled, and initiated the process to dedicate and name the easterly 70 metres of Becher Street that is publically travelled, thus resulting in the realignment of the east end of Becher Street.

A Project Location map is included below for reference.



Discussion:

Tenders for the Stanley Street Pumping Station construction project were opened on Thursday, March 8, 2012. Four (4) contractors submitted tender prices as listed below (exclusive of H.S.T.).

	CONTRACTOR	TENDER PRICE SUBMITTED (exclusive of HST)	CORRECTED TENDER PRICE (exclusive of HST)
1.	Hayman Construction Inc.	$962,700.00	-
2.	HIRA Limited	$1,003,000.00	-
3.	Finnbilt General Contracting Limited	$1,099,865.00	-
4.	Garnet Services Inc.	$1,173,504.00	-

All tenders have been checked by Wastewater and Drainage Engineering Division of the Planning, Environmental and Engineering Services Department and by Dillon.

The consulting engineer's tender estimate just prior to tender opening was $1,320,750.00 (excluding H.S.T.). The low tender is about 30% below 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 $120,000.00 and cash allowance of $50,000.00 (excluding H.S.T.).

Minor future additional annual operating costs of $5,000.00 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. Operational costs include the electrical energy to operate the station.

Consulting Services:

Dillon was awarded engineering services to complete an EA and detailed design for the pumping station by Council on April 26, 2011. Additional scope change has been identified since this date including such things as presentation to the Urban Design Committee and Site Plan Application for the control building. As a result, Dillon has identified an additional $44,229.00 to complete the design activities related to this project.

With the firm's previous design work and familiarity with the critical nature of the systems and operational requirements, Dillon 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, administration is recommending Dillon be authorized to carry out the remainder of engineering services to complete this project at fee estimate of $180,459.40 (excluding H.S.T.), on file, noting the upset amount for total engineering services for the project is $314,369.40 (excluding H.S.T.) spread over 2011 – 2012.

Conclusions:

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

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

Artist's rendering below.

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Acknowledgements:

This report was prepared within the Wastewater and Drainage Engineering Division by Ugo DeCandido, Environmental Services Engineer, and Doug Harron, Technologist II with assistance of Perry Rose, Senior Engineering Technologist of Wastewater and Treatment Operations Division.

SUBMITTED BY:	**REVIEWED AND CONCURRED BY:**
TOM COPELAND, P.ENG **DIVISION MANAGER** **WASTEWATER & DRAINAGE ENGINEERING**	**GEORDIE GAULD** **DIVISION MANAGER** **WASTEWATER & TREATMENT OPERATIONS**

RECOMMENDED BY:
JOHN BRAAM, P.ENG. **ACTING EXECUTIVE DIRECTOR,** **PLANNING, ENVIRONMENTAL AND ENGINEERING SERVICES**

March 27, 2012
UD/dh

Attach: Appendix “A” – Sources of Financing

c.c. Michael Hayman – Hayman Construction Inc.
Jim Breschuk, P.Eng. - Dillon Consulting Ltd.

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