

TO:	CHAIR AND MEMBERS CIVIC WORKS COMMITTEE MEETING ON MARCH 27, 2017
FROM:	KELLY SCHERR, P. ENG., MBA, FEC MANAGING DIRECTOR, ENVIRONMENTAL & ENGINEERING SERVICES & CITY ENGINEER
SUBJECT:	CONTRACT AWARD: TENDER NO. 17-11 2017 INFRASTRUCTURE LIFECYCLE RENEWAL PROGRAM CONTRACT 2: ST. GEORGE, CHEAPSIDE STREET AND BRIDPORT STREET

RECOMMENDATION

That, on the recommendation of the Managing Director, Environmental & Engineering Services & City Engineer, the following actions **BE TAKEN** with respect to the award of contracts for the 2017 Infrastructure Lifecycle Renewal Program, Contract 2: St. George Street, Cheapside Street and Bridport Street Reconstruction Project:

- (a) the bid submitted by Omega Contractors Inc. (Omega), at its tendered price of \$3,474,842.47, excluding HST, for the 2017 Infrastructure Lifecycle Renewal Program, Contract 2 project, **BE ACCEPTED**; it being noted that the bid submitted by Omega, was the lowest of eight bids received and meets the City's specifications and requirements in all areas;
- (b) Spriet Associates London Limited **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 \$286,825 including contingency and excluding HST; 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 this project **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 this project;
- (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 (Tender 17-11); 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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Appointment of Consulting Engineers, Infrastructure Lifecycle Renewal Program 2017-2018, Civic Works Committee, June 8, 2016, Agenda Item # 4.

2015-19 STRATEGIC PLAN

The 2015 – 2019 Strategic Plan identifies the importance of the infrastructure renewal program under the Building a Sustainable City: 1B – Manage and improve our water, wastewater and stormwater infrastructure and services strategy.

BACKGROUND

Purpose:

The Infrastructure Renewal Program (IRP) is an annual program intended to maintain the life of municipal infrastructure at an acceptable performance level. This report recommends award of a tender to a contractor and continuation of consulting services for the reconstruction of:

- St. George Street from Cheapside Street to Regent Street,
- Cheapside Street from Richmond Street to St. George Street, and
- Bridport Street from Richmond Street to St. George Street.

Context:

Infrastructure replacement projects are co-ordinated with Wastewater & Drainage Engineering (WADE), Water Engineering, Transportation Planning & Design and Construction Administration for efficient use of funds during construction.

The project has been included in the 2017 approved Wastewater & Treatment, Water, and Transportation Capital Works multi-year budgets.

DISCUSSION

The Infrastructure Renewal Program (IRP) is an annual program intended to maintain the life of municipal infrastructure at an acceptable performance level. The program is coordinated between the Wastewater & Drainage Engineering (WADE), Water Engineering, Transportation Planning & Design and Construction Administration Divisions.

The streets included in Contract #2 have been identified as a priority in the City's replacement programs due to the poor condition of the municipal infrastructure and the need to update and improve both stormwater and sanitary sewer capacity. The current water/wastewater infrastructure within these streets was constructed circa 1907- 1932. The current infrastructure is undersized, prone to breakage and is at the end of its useful life.

Contract #2 of the 2017 infrastructure renewal program includes work on three streets including St. George, Bridport Street and Cheapside Street. A project location map is included for reference in Appendix "B". The following table outlines the work related to each street.

Table 1: Renewal Work Description

Street	Work Description
St. George Street – Regent Street to Cheapside Street	<ul style="list-style-type: none"> • Storm and sanitary sewers replacement, • replacement of the watermain and the addition of a second watermain from Victoria Street to Regent Street, • sidewalks, • Curb and gutter, and • New asphalt surface
Bridport Street – St. George Street to Richmond Street	<ul style="list-style-type: none"> • Storm and sanitary sewers replacement, • Watermain Replacement, • Sidewalks, • Curb and gutter, and • New asphalt surface
Cheapside Street - St. George Street to Richmond Street	<ul style="list-style-type: none"> • Sanitary sewer replacement, • New Storm Sewer, • Watermain Replacement, • Sidewalks, • Curb and gutter, • New asphalt surface, and • The addition of bike lanes.

Public Engagement

A public information session was held on December 7, 2016, specifically for all owners and residents within and immediately bordering the project area to address questions and concerns.

In response to the comments received, the project has been divided into four (4) stages of reconstruction in an effort to reduce disruption over the duration of the project to better accommodate residents.

Service Replacement:

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 project limits an opportunity to voluntarily replace their PDC's at a subsidized cost under the authority of the City's Drainage By-Law (WM-4) and the Wastewater & Stormwater By-Law (WM-28).

Tender Summary:

Tenders for the 2017 Infrastructure Lifecycle Renewal Program, Contract 2 were opened on February 2, 2017. Eight (8) contractors submitted tender prices as listed below, excluding HST.

	CONTRACTOR	TENDER PRICE SUBMITTED	CORRECTED TENDER PRICE
1.	Omega Contractors Inc.	\$3,474,842.47	
2.	C.H. Excavating 2013	\$3,483,021.79	
3.	2153592 Ontario Ltd. (Elgin)	\$3,642,802.64	
4.	L82 Construction Ltd.	\$3,667,168.65	
5.	Bre-Ex Construction Ltd.	\$3,742,082.14	
6.	Blue-Con Construction	\$3,798,030.85	
7.	291 Construction	\$3,818,076.85	
8.	Birnam Excavating Ltd.	\$4,064,680.58	

All tenders have been checked by the Environmental and Engineering Services Department and the City's consulting engineer. No tenders were found to contain mathematical errors, therefore the order of the bidders remained the same.

The engineer's tender estimate just prior to tender opening was \$3,520,578.00, excluding HST. The low tender is below the estimate. All tenders include a contingency allowance of \$300,000.00, excluding HST.

Additional annual operating costs are \$800 per year associated with this project.

Consulting Services:

Spriet Associates London Limited was awarded the detailed design of the project by Council June 14, 2016. Due to the consultant's knowledge and positive performance on the project, the consultant was invited to submit a proposal to carry out the contract administration and resident supervision. Staff have reviewed the fee submission in detail considering the hourly rates provided by each of the Consultant's staff members. City Staff have confirmed that the hourly rates are consistent with those submitted through competitive processes. City Staff also reviewed the time allocated to each project related task. The amount of time allocated to each project task is consistent with prior projects of a similar nature that have been awarded through a competitive process. The continued use of Spriet Associates London Limited on this project for construction administration is of financial advantage to the City due to the fact that 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 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, this firm has satisfactorily completed a substantial part of the project and is recommended for award of the balance of the project. The Administration recommends that Spriet Associates London Limited be authorized to carry out the remainder of engineering services to complete this project for the provided fee estimate of \$286,825.00 excluding HST, noting the upset amount for total engineering services for the project is \$555,615.50 excluding HST, spread over 2016, 2017 and 2018.

CONCLUSION

Replacing infrastructure at the end of its life is a prerequisite to building a sustainable city. Contract #2 of the 2017 Infrastructure Renewal Program is one-step forward in replacing London’s aging infrastructure. The award of the Contract #2 to Omega Contractors Inc. will allow the project objectives to be met within the available budget. The use of Spriet Associates London Limited for the remainder of the engineering services will ensure that the completed design will be implemented in the best financial and technical interests of the City.

Acknowledgements:

This report was prepared within the Water Engineering Division with assistance from Dave Chromczak, C.E.T., Technologist II, and Patricia Lupton, P. Eng., Environmental Service Engineer.

PREPARED BY:	REVIEWED & CONCURRED BY:
SCOTT MATHERS, MPA, P. ENG. DIVISION MANAGER WATER ENGINEERING	JOHN LUCAS, P. ENG. DIRECTOR, WATER AND WASTEWATER
RECOMMENDED BY:	
KELLY SCHERR, P.ENG., MBA, FEC MANAGING DIRECTOR, ENVIRONMENTAL & ENGINEERING SERVICES & CITY ENGINEER	

March 20, 2017

Attach: Appendix “A” – Sources of Financing
Appendix “B” – Map of Project Area

cc: Tom Copeland, John Freeman, Edward Soldo, Ugo DeCandido, Spriet London Associates, Omega Contractors Inc.