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TO:	CHAIR AND MEMBERS CIVIC WORKS COMMITTEE MEETING ON APRIL 23, 2012
FROM:	JOHN BRAAM, P. ENG ACTING EXECUTIVE DIRECTOR, PLANNING, ENVIRONMENTAL & ENGINEERING SERVICES DEPARTMENT & CITY ENGINEER
SUBJECT	CONTRACT AWARD: TENDER NO 12-28 FANSHAWE PARK ROAD AND HIGHBURY AVENUE INTERSECTION WIDENING

RECOMMENDATION

That, on the recommendation of the Acting Executive Director of Planning, Environmental & Engineering Services & City Engineer, the following actions **BE TAKEN** with respect to the award of a contract for the Fanshawe Park Road and Highbury Avenue Intersection Widening (TS1475):

- (a) the bid submitted by J-AAR Excavating Limited, 31 Exeter Road London, Ontario, N6L 1B6, at its modified tendered price of \$7,281,047.30, excluding HST, for the Fanshawe Park Road and Highbury Avenue Intersection Widening project, **BE ACCEPTED** - it being noted that the bid submitted by J-AAR Excavating 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 APPOINTED** Consulting Engineers for the contract administration and resident supervision of the said project in the amount of \$432,608, excluding HST, in accordance with Section 15.2 (g) of the Procurement of Goods and Services Policy;
- (c) the consulting fee for the project identified in (b), above, which is in accordance with the estimate on file, and which is based upon the Fee Guideline for Professional Engineering Services recommended by the Ontario Society of Professional Engineers **BE APPROVED**;
- (d) future additional Transportation annual operating costs of \$12,550, Water annual operating costs of \$1,800, and Sewer annual operating costs of \$1,000 **BE APPROVED** as a first priority commitment from available assessment growth in 2013 subject to final budget approval;
- (e) the financing for this project **BE APPROVED** as set out in the Sources of Financing Report attached hereto as Appendix "A";
- (f) the Civic Administration **BE AUTHORIZED** to undertake all the administrative acts that are necessary in connection with this project;
- (g) the approval given herein **BE CONDITIONAL** upon the Corporation entering into a formal contract and issuing purchase order(s) for the material to be supplied and the work to be done relating to this project (Tender 12-28);
- (h) the Mayor and City Clerk **BE AUTHORIZED** to execute any contract or other documents, if required, to give effect to the above recommendations.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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- Civic Works Committee – January 23, 2012 – Sanitary Servicing Agreement for North Park Community Church
- Built and Natural Environment Committee – December 13, 2010 – Local Improvement Watermain Fanshawe Park Road East
- Environment and Transportation Committee – July 20, 2009 – Appointment of Design

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- Engineer
 • Environment and Transportation Committee – April 6, 2009 – Addendum to Environmental Study Report

BACKGROUND

Purpose:

This report recommends award of a tender to a contractor and continuation of engineering consulting services for the Fanshawe Park Road and Highbury Avenue Intersection Widening project.

Discussion:

Fanshawe Park Road East and Highbury Avenue North are both arterial roads within the limits of this project. The 2004 Transportation Master Plan, and 2009 Development Charges Background Study identify this segment of road as requiring improvements. This work was originally scheduled for the 2010 construction season but was delayed by property negotiations.

An Environmental Study Report (ESR) on the Fanshawe Park Road East Corridor from Adelaide Street to Highbury Avenue was completed in April, 2009 as an addendum to a previous ESR. The ESR recommended that Fanshawe Park Road East be widened from two to four lanes with bike lanes, localized turning lanes and urbanized with curbs, sidewalks, illumination improvements, and noise attenuation where warranted. This work was specified to be done in two phases with the first one being the intersection of Fanshawe Park Road and Highbury Avenue. The second phase will continue the widening to Adelaide Street and is anticipated to be constructed in 2016.

In this tender, water servicing is being extended to the east of Highbury Avenue along Fanshawe Park Road East as a Local Improvement. Sanitary servicing is being extended on Fanshawe Park Road East to the east of Highbury Avenue as per an agreement with North Park Community Church as reported to this Committee on January 23, 2012. As part of this agreement, two different sanitary sewer options were included in the tender with the church choosing one. This is the reason why the price in the recommendation of this report is less than the tender price in the tender summary below.

Utility relocations have been underway at this site since Summer, 2011. The construction contract will introduce additional traffic delays at the site; however, two lanes of traffic will be generally maintained during construction.

Tender Summary:

Tenders for the Fanshawe Park Road and Highbury Avenue Intersection Widening project were opened on February 29, 2012. Five (5) contractors submitted tender prices as listed below (exclusive of H.S.T.).

CONTRACTOR		TENDER PRICE SUBMITTED	CORRECTED TENDER PRICE
1.	J-AAR Excavating Ltd.	\$7,409,165.30	\$7,409,164.80
2.	Bre-Ex Limited	\$7,634,417.24	\$7,609,415.25
3.	Blue-Con Construction	\$8,315,152.24	\$8,315,151.24
4.	L82 Construction Ltd.	\$8,321,946.50	\$8,322,946.50
5.	291 Construction	\$9,216,816.70	--

All tenders have been checked by the Planning, Environmental and Engineering Services Department, and Delcan Corporation. Four of the tender bids contained mathematical errors as noted above. The tender estimate just prior to tender opening was \$9,219,611.80 (excluding H.S.T.). The low tender is below the estimate. The estimate was based on historical prices, however this was the first major project of its type tendered in 2012, which when combined with

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economic uncertainty, increased the competition for the project and resulted in a lower than anticipated price. All tenders include a contingency allowance of \$700,000 (excluding H.S.T.).

After this tender closed there was an appeal to the bidding process. This was resolved through the appeal process as identified in Section 2.9 of the Procurement of Goods and Services Policy.

Consulting Services:

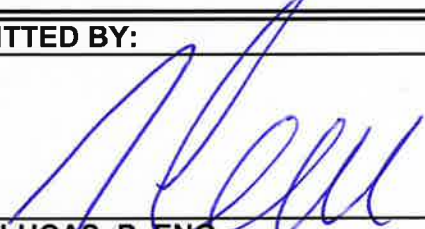
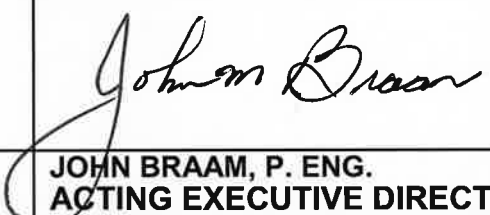
The City of London retained Delcan Corporation in April of 2008 to complete a Class Environmental Assessment Addendum for potential improvements to Fanshawe Park Rd E. between Adelaide St and Highbury Ave. Council adopted the Environmental Study Report in April, 2009. Delcan Corporation has subsequently completed the detailed design and contract preparation for this phase of the project. Given their specific knowledge and experience on the project, Delcan was requested to submit a proposal to carry out the contract administration and resident supervision for this construction contract, recognizing that it would be to the financial advantage of the City to do so. In accordance with Section 15.2(g) of the Procurement of Goods and Services Policy, the Civic Administration is recommending that Delcan Corporation be authorized to carry out the remainder of engineering services to complete this phase of the project for a fee estimate of \$432,608 (excluding H.S.T.).

Conclusions:

1. Award of this contract will allow the project objectives to be met within the available budget.
2. The use of Delcan Corporation for engineering services on this contract is in the best financial and technical interests of the City.
3. Anticipated additional annual operating costs to the Planning, Environmental and Engineering Services budgets in 2013 and subsequent years associated with the approval of this project are \$12,550 for Transportation, \$1,800 for Water, and \$1,000 for Sewers.

Acknowledgements:

This report was prepared within the Transportation Planning & Design Division by Aaron Rozentals, P.Eng.

SUBMITTED BY:	RECOMMENDED BY:
	
JOHN LUCAS, P. ENG. DIVISION MANAGER TRANSPORTATION PLANNING & DESIGN	JOHN BRAAM, P. ENG. ACTING EXECUTIVE DIRECTOR, PLANNING, ENVIRONMENTAL & ENGINEERING SERVICES & CITY ENGINEER

Attachments:

Appendix "A": Sources of Financing

- cc: D. MacRae
 Delcan Corporation, 1069 Wellington Road South, Suite 214, London, ON, N6E 2H6
 J-AAR Excavating Limited, 31 Exeter Road, London, ON, N6L 1B6
 Bre-Ex Limited, 247 Exeter Rd, London, ON, N6L 1A5
 Blue-Con Construction, 1915 Crumlin Sideroad, London, ON, N5V 3B8
 L82 Construction Limited, 2070 Huron Street Suite A, London, ON, N5V 5A7
 291 Construction Limited, C-2675 Elgin Road, Dorchester ON

APPENDIX 'A'

Chair and Members
Civic Works Committee

#12044
March 23, 2012
(Award Contract)

RE: Fanshawe Park Road and Highbury Avenue Intersection Widening
Capital Project TS1475 - Fanshawe Road East Widening - Ph. 1 Fanshawe to Highbury Intersection
Capital Project TS1650-11 - 2011 Minor Roadworks on Arterial Roads
Capital Project EW3742 - Watermain Extensions
Capital Project ES2472 - Local Improvements - Fanshawe Park Road E. Sanitary Sewer
J-AAR Excavating Limited - \$7,281,047.30 (excluding H.S.T.)
Delcan Corporation - \$432,608.00

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 of Planning, Environmental and Engineering Services and City Engineer, the detailed source of financing for this project is:

ESTIMATED EXPENDITURES	Approved Budget	Revised Funding	Revised Budget	Committed to Date	This Submission	Balance for Future Work
TS1475-Fanshawe Road E. Widening						
Engineering	\$942,580		942,580	\$527,062	\$398,572	\$16,946
Land Acquisition	265,202		265,202	265,202		0
Construction	6,849,890		6,849,890	9,930	6,820,474	19,486
Relocate Utilities	216,958		216,958	216,958		0
City Related Expenses	370		370	370		0
	<u>8,275,000</u>	<u>0</u>	<u>8,275,000</u>	<u>1,019,522</u>	<u>7,219,046</u>	<u>36,432</u>
TS1650-11-2011 Minor Rdwks on Arterial Roads						
Engineering	150,000		150,000			150,000
Construction	1,550,000		1,550,000	231,107	178,080	1,140,813
Relocate Utilities	50,000		50,000	34,270		15,730
City Related Expenses	50,000		50,000			50,000
	<u>1,800,000</u>	<u>0</u>	<u>1,800,000</u>	<u>265,377</u>	<u>178,080</u>	<u>1,356,543</u>
EW3742-Watermain Extensions						
Engineering	100,000		100,000		17,030	82,970
Construction	700,000		700,000		169,999	530,001
	<u>800,000</u>	<u>0</u>	<u>800,000</u>	<u>0</u>	<u>187,029</u>	<u>612,971</u>
ES2472-LI Fanshawe Park Rd Sanitary Sewer						
Engineering	34,359		34,359	9,739	24,620	0
Construction	240,641		240,641		240,641	0
	<u>275,000</u>	<u>0</u>	<u>275,000</u>	<u>9,739</u>	<u>265,261</u>	<u>0</u>
NET ESTIMATED EXPENDITURES	<u>\$11,150,000</u>	<u>\$0</u>	<u>\$11,150,000</u>	<u>\$1,294,638</u>	<u>\$7,849,416</u>	<u>\$2,005,946</u>

SOURCE OF FINANCING:

TS1475-Fanshawe Road E. Widening							
Debtenture By-Law No. W.-2026(a)-264	2)	\$1,679,200		1,679,200	\$240,022	\$1,427,354	\$11,824
Drawdown from Urban Works Reserve Fund		300,000		300,000		300,000	0
Drawdown from City Services - Roads Reserve Fund (Development Charges)	3)	6,295,800		6,295,800	779,500	5,491,692	24,608
		<u>8,275,000</u>	<u>0</u>	<u>8,275,000</u>	<u>1,019,522</u>	<u>7,219,046</u>	<u>36,432</u>
TS1650-11-2011 Minor Rdwks on Arterial Roads							
Debtenture By-Law No. W.-5304-215		241,600		241,600	35,627	23,907	182,066
Drawdown from City Services - Roads Reserve Fund (Development Charges)	3)	1,558,400		1,558,400	229,750	154,173	1,174,477
		<u>1,800,000</u>	<u>0</u>	<u>1,800,000</u>	<u>265,377</u>	<u>178,080</u>	<u>1,356,543</u>
EW3742-Watermain Extensions							
Drawdown from Capital Water Reserve Fund		200,000		200,000		137,013	62,987
Cash Recovery from Property Owners		600,000		600,000		50,016	549,984
		<u>800,000</u>	<u>0</u>	<u>800,000</u>	<u>0</u>	<u>187,029</u>	<u>612,971</u>
ES2472-LI Fanshawe Park Rd Sanitary Sewer							
Drawdown from Sewage Works Reserve Fund		106,250		106,250	9,739	96,511	0
Additional drawdown from Sewage Works R.F.	4)		28,697	28,697		28,697	0
Cash Payments	5)	168,750	(28,697)	140,053		140,053	0
		<u>275,000</u>	<u>0</u>	<u>275,000</u>	<u>9,739</u>	<u>265,261</u>	<u>0</u>
TOTAL FINANCING		<u>\$11,150,000</u>	<u>\$0</u>	<u>\$11,150,000</u>	<u>\$1,294,638</u>	<u>\$7,849,416</u>	<u>\$2,005,946</u>

1) **Financial Note - Construction**

	TS1475	TS1650-11	EW3742	ES2472	TOTAL
Contract Price	\$6,702,510	\$175,000	\$167,058	\$236,479	\$7,281,047
Add: HST @13%	871,326	22,750	21,718	30,742	946,536
Total Contract Price Including Taxes	7,573,836	197,750	188,776	267,221	8,227,583
Less: HST Rebate	753,362	19,670	18,777	26,580	818,389
Net Contract Price	<u>\$6,820,474</u>	<u>\$178,080</u>	<u>\$169,999</u>	<u>\$240,641</u>	<u>\$7,409,194</u>

Financial Note - Engineering

	TS1475	TS1650-11	EW3742	ES2472	TOTAL
Contract Price	\$391,679	\$0	\$16,735	\$24,194	\$432,608
Add: HST @13%	50,918	0	2,176	3,145	56,239
Total Contract Price Including Taxes	442,597	0	18,911	27,339	488,847
Less: HST Rebate	44,025	0	1,881	2,719	48,625
Net Contract Price	<u>\$398,572</u>	<u>\$0</u>	<u>\$17,030</u>	<u>\$24,620</u>	<u>\$440,222</u>

NOTE TO CITY CLERK:

- The City be authorized to increase Debtenture By-Law. No. W.-2026(a)-264 by \$1,010,500 from \$668,700 to \$1,679,200.
- Development charges have been utilized in accordance with the underlying legislation and the Development Charges Background Studies completed in 2009.
- The additional funding amount of \$28,697 is available as a drawdown from the Sewage Works Reserve Fund.
- The City has entered a Servicing Agreement with the North Park Community Church with respect to the sanitary sewer servicing. The Church has contributed an amount of \$140,052.99.
- Anticipated additional annual operating costs to the Planning, Environmental and Engineering Services budgets in 2013 and subsequent years associated with the approval of this project are \$12,550 for Transportation, \$1,800 for Water, and \$1,000 for Sewers.



Alan Dunbar
Manager of Financial Planning & Policy