

<b>TO:</b>	<b>CHAIR AND MEMBERS CIVIC WORKS COMMITTEE MEETING ON JUNE 7, 2017</b>
<b>FROM:</b>	<b>KELLY SCHERR, P. ENG., MBA, FEC MANAGING DIRECTOR, ENVIRONMENTAL &amp; ENGINEERING SERVICES &amp; CITY ENGINEER</b>
<b>SUBJECT:</b>	<b>CLEAN WATER AND WASTEWATER FUND CONTRACT AWARD: 2017 INFRASTRUCTURE RENEWAL PROGRAM FRANCES STREET, MARGARET STREET AND ETHEL STREET RECONSTRUCTION</b>

<b>RECOMMENDATION</b>
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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 Renewal Program, Frances Street, Margaret Street and Ethel Street Reconstruction Project:

- (a) the bid submitted by 2376378 Ontario Corp (CH Excavating (2013)) at its tendered price of \$3,479,489.16, excluding HST, for the 2017 Infrastructure Renewal Program Contract 18, Frances Street, Margaret Street and Ethel Street Reconstruction Project, **BE ACCEPTED**; it being noted that the bid submitted by CH Excavating (2013), was the lowest of three bids received and meets the City's specifications and requirements in all areas;
- (b) Archibald, Gray & McKay Engineering Limited (AGM), **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 \$280,245.00 excluding HST, 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, 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 17-52); and
- (g) the Mayor and City Clerk **BE AUTHORIZED** to execute any contract or other documents, if required, to give effect to these recommendations.

<b>PREVIOUS REPORTS PERTINENT TO THIS MATTER</b>
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- Appointment of Consulting Engineers, Clean Water and Wastewater Fund Projects, (Contract 18), Civic Works Committee, November 1, 2016, Agenda Item # 10.
- Infrastructure Canada Phase 1 Project Requests Clean Water and Wastewater Fund – Civic Works – October 4, 2016

## 2015-2019 STRATEGIC PLAN

The 2015 – 2019 Strategic Plan identifies this objective under Building a Sustainable City; 1B – Manage and improve our water, wastewater and stormwater infrastructure and services.

## BACKGROUND

### Purpose

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

- Frances Street from Egerton Street to Eleanor Street
- Margaret Street from Egerton Street to east limit
- Ethel Street from Frances Street to Margaret Street

A Project Location map is included for reference in Appendix B.

Infrastructure replacement needs have been coordinated within the Environmental and Engineering Services Department for efficient use of funds during construction. This project was submitted in October 2016 to the Clean Water and Wastewater Fund (CWWF) and has been subsequently approved for funding.

## DISCUSSION

### Clean Water and Wastewater Fund

The first phase of funding for the Clean Water and Wastewater Fund (CWWF) is a 2 year - \$2 Billion Government of Canada investment to meet immediate priorities for clean water and wastewater to support a cleaner and healthier environment for communities. CWWF focuses on investing in projects that:

- Rehabilitate and optimize water, storm water and wastewater related infrastructure;
- Improve asset management approaches including pilots and studies;
- Plan for future upgrades to wastewater treatment and collection infrastructure;
- Include new construction projects like naturalized systems.

The City of London has successfully received funding for the Frances Street, Margaret Street and Ethel Street Reconstruction from the CWWF. Sources of Financing for the projects is provided in Appendix A.

### Project Description

This Infrastructure Renewal project includes the following improvements:

- Elimination of combined sewers;
- Installation of sanitary and new storm sewers including private drain connections as required;
- Replacement of watermain and individual water services to property line where applicable;
- Full road reconstruction, including new asphalt, curb and gutter, sidewalks;

Frances Street, Margaret Street and Ethel Street was identified as a high priority in the replacement programs due to the aging municipal infrastructure. The sanitary sewers on Frances Street, Margaret Street and Ethel Street were originally constructed in 1924 and 1946. Poor sewer conditions on the sanitary sewer on Frances Street from 1105

Frances St to Eleanor Street were identified and the project scope was subsequently expanded to include this section of Frances Street.

The long awaited Burbrook Tunnel project was completed in 2016, providing an outlet for the storm drainage in this area. The addition of new storm sewers on Frances Street, Margaret Street and Ethel Street, will provide improved drainage and will reduce the risk of basement flooding.

A Public Information Centre (PIC) was held on February 23, 2017 specifically for all owners and residents within and immediately bordering the project area to address questions and concerns. The PIC was of an open house format and was well attended by residents in the area.

### **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 projects limits an opportunity to voluntarily replace their PDC's at a subsidized cost under the authority of City By-laws. As part of this project, the water service connection will be replaced to the property line at the City's cost and the property owner may elect to replace their private side connection at their own cost. Homeowners may be eligible to participate in the Lead Service Extension Replacement Loan Program.

### **Tender Summary**

Tenders for the 2017 Infrastructure Renewal Program Contract 18, Frances Street, Margaret Street and Ethel Street Reconstruction Project were opened on March 30, 2017. Three (3) contractors submitted tender prices as listed below, excluding HST.

<b>CONTRACTOR</b>		<b>TENDER PRICE SUBMITTED</b>	<b>CORRECTED TENDER PRICE</b>
1.	CH Excavating (2013)	\$3,479,489.16	
2.	J-AAR Excavating Ltd	\$3,750,233.32	
3.	L82 Construction Ltd	\$3,997,504.45	\$4,029,629.45

All tenders have been checked by the Environmental and Engineering Services Department and the City's consultant, AGM. One of the submitted tenders were found to contain minor mathematical errors; however the order of the bidders remains unchanged.

The tender estimate just prior to tender opening was \$3,856,242.55 excluding HST. The low tender is 9.7% below the estimate indicating a competitive environment. All tenders include a contingency allowance of \$350,000.00.

Additional annual sewer, water and transportation operating costs of \$1,000.00, \$510.00 and \$150.00 respectively are attributed to the new infrastructure installation.

### **Consulting Services**

Archibald, Gray & McKay Engineering Limited (AGM) was awarded the detailed design of the project by Council on November 8, 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 time allocated to each project task along with hourly rates provided by each of the Consultant's staff members. That review of assigned personnel, time per project task, and hourly rates are consistent with other Infrastructure Renewal Program assignments of this scope and nature. The continued use of AGM 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, it is recommended that AGM be authorized to carry out the remainder of engineering services to complete this project for the provided fee estimate of \$280,245.00, excluding HST, noting the upset amount for total engineering services for the project is \$488,547.00 excluding HST.

<b>CONCLUSIONS</b>
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Award of the 2017 Infrastructure Renewal Program, Frances Street, Margaret Street and Ethel Street reconstruction project to CH Excavating (2013) will allow the project objectives to be met within the available budget.

The use of AGM, 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 Crystal McQuinn, Technologist II, and reviewed by Kyle Chambers, P. Eng., Environmental Services Engineer.

<b>SUBMITTED BY:</b>	<b>CONCURRED BY:</b>
<b>TOM COPELAND, P. ENG. DIVISION MANAGER WASTEWATER AND DRAINAGE ENGINEERING</b>	<b>JOHN LUCAS, P. ENG. DIRECTOR, WATER AND WASTEWATER</b>
<b>RECOMMENDED BY:</b>	
<b>KELLY SCHERR, P.ENG., MBA, FEC MANAGING DIRECTOR, ENVIRONMENTAL &amp; ENGINEERING SERVICES &amp; CITY ENGINEER</b>	

May 29, 2017

KD/crm

Attach: Appendix "A" – Sources of Financing  
Appendix "B" – Project Location Map

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c.c. Scott Mathers  
Edward Soldo  
CH Excavating (2013)

John Freeman  
Ugo DeCandido  
AGM

Gary McDonald



# 2017 Infrastructure Renewal Program

## Contract 18 - Location Map

Frances Street (from Egerton Street to Eleanor Street)

Margaret Street (from Egerton Street to the east limit)

Ethel Street (from Frances Street to Margaret Street)

