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| TO: | CHAIR AND MEMBERS CIVIC WORKS COMMITTEE MEETING ON MARCH 19, 2018 |
| FROM: | KELLY SCHERR, P. ENG., MBA, FEC MANAGING DIRECTOR, ENVIRONMENTAL AND ENGINEERING SERVICES AND CITY ENGINEER |
| SUBJECT: | CONTRACT AWARD: TENDER NO. 18-03 2018 INFRASTRUCTURE RENEWAL PROGRAM EGERTON STREET AND KING STREET PHASE 1 RECONSTRUCTION PROJECT |

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| RECOMMENDATION |
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That on the recommendation of the Managing Director, Environmental and Engineering Services and City Engineer, the following actions **BE TAKEN** with respect to the award of contracts for the 2018 Infrastructure Renewal Program Egerton Street and King Street Phase 1 reconstruction project:

- (a) the bid submitted by Blue-Con Construction at its tendered price of \$5,799,999.00, excluding HST, **BE ACCEPTED**; it being noted that the bid submitted by Blue-Con Construction was the lowest of five bids received and meets the City's specifications and requirements in all areas;
- (b) Archibald, Gray and McKay Engineering Ltd. (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 \$480,656.00, excluding HST, 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 18-03); 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 |
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Appointment of Consulting Engineers, Infrastructure Renewal Program 2015-2016, Civic Works Committee, May 26, 2014.

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| 2015-2019 STRATEGIC PLAN |
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The 2015 – 2019 Strategic Plan under Building a Sustainable City identifies Robust Infrastructure, more specifically to this report; 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:

- Egerton Street from Dundas Street to 75 m north of Brydges Street; and,
- King Street from Egerton Street to Kellogg Lane.

A project location map is included for reference in Appendix 'B'.

Context

Egerton Street and King Street have each been identified as a high priority in the replacement programs due to the poor condition of the municipal infrastructure. Most of this infrastructure dates from the 1900's to the 1920's. The historical Egerton double trunk sewer has reached the end of its life expectancy. Surface drainage will be improved on King Street by replacing the existing storm sewer, that serves only half of the block, and extending the new storm sewer for the full length of the block. There are two watermains on this project, one of which is 1900's cast iron with potential lead services, and the other which is 1967 concrete pressure pipe.

DISCUSSION

The Egerton Street and King Street infrastructure renewal project includes the following improvements:

- installation of sanitary sewers and services;
- installation of storm sewers;
- installation of watermain and individual water services to property line where applicable;
- full road reconstruction including new asphalt, curb and gutter, and sidewalk; and,
- inclusion of underground works by Bell Canada who has infrastructure needs.

In addition, the following new features will be incorporated into this project:

- new sidewalk on the west side of Egerton Street; and,
- new on-road bicycle lanes on both sides of Egerton Street.

Infrastructure replacement needs have been coordinated within the Environmental and Engineering Services Department with support from Planning Services (Current Planning). The funding for this project comes from the approved 2018 wastewater and treatment, water and transportation Capital Works Budgets.

Public Consultation

A project update meeting was held on December 7, 2017, for all owners and residents within and immediately bordering the project area to address questions and concerns. This meeting was well attended with no significant concerns noted. Regular consultation has also occurred with the Western Fair to identify their needs. Consultation has also occurred between the project team and the Old East Village Business Improvement Area. Staff have been informed of a number of residents with special needs that will be accommodated throughout this construction contract. A 60m portion of Egerton Street from Dundas Street south will be paved immediately upon completion of the underground works to accommodate these businesses at the

intersection and south. Communication has been taking place with all the business owners and contact information has been collected in order that the communication can continue during the completion of this project.

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 reduced cost. As part of this project, the water service connections 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 also be eligible to participate in the Lead Service Extension Replacement Loan Program.

Tender Summary

Tenders for the 2018 Infrastructure Renewal Program Egerton Street and King Street Phase 1 reconstruction project were opened on January 30, 2018. Five (5) contractors submitted tender prices as listed below, excluding HST.

| CONTRACTOR | | TENDER PRICE SUBMITTED |
|------------|----------------------------------|------------------------|
| 1. | Blue-Con Construction | \$5,799,999.00 |
| 2. | Omega Contractors Incorporated | \$6,250,109.32 |
| 3. | L82 Construction Limited | \$6,267,767.40 |
| 4. | Bre-Ex Construction Incorporated | \$6,498,649.20 |
| 5. | J-AAR Excavating Limited | \$6,990,927.00 |

All tenders have been checked by the Environmental and Engineering Services Department and the City's consultant, AGM. No mathematical errors were found.

The tender estimate just prior to tender opening was \$5,990,280.00, excluding HST. All tenders include a contingency allowance of \$400,000.00.

Operating Budget Impacts

Additional annual sewer, water, and transportation operating costs, attributed to new infrastructure installation, are summarized in the following table.

| Division | Rationale | Operational Cost Increase |
|---------------------------|--|---------------------------|
| Sewer Operations | Additional 100 meters of storm sewer | \$200 |
| Water Operations | No additional increase in water services or total length of watermain | \$0 |
| Transportation Operations | Road maintenance cost (As per Table 8 and 10 of the London ON Bikes report.) | \$9,180 – \$10,860 |
| Total | | \$9,380 - \$11,060 |

Consulting Services

AGM was awarded the detailed design of the project by Council on June 10, 2014. 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 is 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 because that 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 to 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 AGM be authorized to carry out the remainder of engineering services to complete this project for the provided fee estimate of \$480,656.00 excluding HST, noting the upset amount for total engineering services for the project is \$952,336.00, excluding HST, spread over 2014 – 2019.

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| CONCLUSIONS |
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Award of the 2018 Infrastructure Renewal Program, Egerton Street, and King Street Phase 1 reconstruction project to Blue-Con Construction will allow the project objectives to be met within the available budget and schedule.

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 John Bos, C.E.T., Technologist II, and reviewed by Kyle Chambers, P. Eng., Environmental Services Engineer.

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| SUBMITTED BY: | CONCURRED BY: |
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| TOM COPELAND, P. ENG DIVISION MANAGER WASTEWATER AND DRAINAGE ENGINEERING | SCOTT MATHERS, P. ENG. DIRECTOR, WATER AND WASTEWATER |
| RECOMMENDED BY: | |
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| KELLY SCHERR, P.ENG., MBA, FEC MANAGING DIRECTOR, ENVIRONMENTAL AND ENGINEERING SERVICES AND CITY ENGINEER | |

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

c.c. Aaron Rozentals
Edward Soldo
Blue-Con Construction
Jason Davies

John Freeman
Ugo DeCandido
AGM
Kyle Chambers

Gary McDonald
Bell Canada
Alan Dunbar
John Bos