

TO:	CHAIR AND MEMBERS CIVIC WORKS COMMITTEE MEETING ON APRIL 17, 2018
FROM:	KELLY SCHERR, P.ENG., MBA, FEC MANAGING DIRECTOR, ENVIRONMENTAL AND ENGINEERING SERVICES & CITY ENGINEER
SUBJECT:	CONTRACT AWARD: TENDER T18-08 2018 GROWTH MANAGEMENT IMPLEMENTATION STRATEGY SOUTHWEST AREA TRUNK SANITARY SEWER – PHASE 3

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 construction of Phase 3 of the Southwest Area Trunk Sanitary Sewer:

- (a) the bid submitted by L82 Construction Ltd., Suite A – 2070 Huron Street, London, ON, N5V 5A7, at its tendered price of \$7,296,700.00 excluding H.S.T., for the construction of Phase 3 of the Southwest Area Trunk Sanitary Sewer, **BE ACCEPTED**; it being noted that the bid submitted by L82 Construction Ltd., was the lowest of seven bids received and meets the City’s specifications and requirements in all areas;
- (b) AECOM Canada Ltd **BE APPOINTED** Consulting Engineers to complete the construction administration for the Southwest Area Trunk Sanitary Sewer – Phase 3 in accordance with the estimate, on file, at an upset amount of \$482,025.50, including 10% contingency, excluding H.S.T., and in accordance with Section 15.2 (g) of the City of London’s Procurement of Goods and Services Policy;
- (c) the financing for the project **BE APPROVED** in accordance with 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 approvals given herein **BE CONDITIONAL** upon the Corporation entering into a formal contract; 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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- 2017-07-17 [Appointment of Consulting Engineers, Growth Management Implementation Strategy Southwest Sanitary Servicing Projects](#)
- 2016-04-12 [Contract Award: Tender T16-13, Growth Management Implementation Strategy \(GMIS\) Campbell Street Improvements – Southwest Area Trunk Sanitary Sewer – Phase 2](#)
- 2015-03-23 [Contract Award: Tender T15-04, Growth Management Implementation Strategy \(GMIS\) Southwest Area Trunk Sanitary Sewer – Phase 1](#)

- 2015-02-03 [Southwest Area Trunk Sanitary Sewer Detailed Design Appointment of Consulting Engineer: Phase 2 – Campbell Street \(Hamlyn Street to Lambeth Optimist Park\)](#)
- 2014-05-12 [Southwest Area Trunk Sanitary Sewer Detailed Design: Appointment of Consulting Engineer: Phase 1 – Wonderland Road South \(Dingman Drive to Wharncliffe Road South\) & Hamlyn Street \(Wonderland Road South to Campbell Street\)](#)
- 2014-02-03 [Notice of Completion of the Southwest Area Sanitary Servicing Master Plan: Municipal Class Environmental Assessment for the Southland Wastewater Treatment Plant and Proposed Sanitary Servicing of the Southwest Area \(ES5260\)](#)

2015-19 STRATEGIC PLAN

This report and its recommendations support the Strategic Plan under Building a Sustainable City – Responsible Growth, by planning, designing and constructing new infrastructure consistent with the Growth Management Implementation Strategy (GMIS).

BACKGROUND

Purpose

This report recommends the award of tender to a contractor and continuation of consulting services for the construction of the Southwest Area Trunk Sanitary Sewer – Phase 3 (Appendix B Location Map).

Context

Phase 3 of the Southwest Area Trunk Sanitary Sewer is the continuation of work completed under Phase 1 and Phase 2 and has been identified in both the 2014 Development Charges Sanitary Servicing Background Study and the 2018 Growth Management Implementation Study (GMIS) as 'SS13B'. Phase 3 will establish an important municipal sanitary servicing linkage for the southwest area of the City and open development opportunities in the area. Awarding this contract and consultant fees will enhance or provide sanitary servicing for approximately 645 hectares (1593 acres) of mixed residential, commercial, and industrial development.

Approximately 150m of deep trunk sanitary sewer on Exeter Road, 700m on Wharncliffe Road, and 900m on Wonderland Road will be installed as part of Phase 3. In addition, approximately 180m of storm sewer will be installed on Wonderland Road to accommodate the future storm servicing strategy in the Southwest Area.

DISCUSSION

Construction is scheduled to begin immediately in April 2018 and will take the remaining construction season to complete the works. Construction activities will progress from the intersection of Wonderland Road South and Hamlyn Street and proceed north on Wonderland Road, up Wharncliffe Road and terminate near Morgan Avenue.

The project will take advantage of the lower traffic summer months and utilize project staging to avoid any intersection closures and eliminate the need for any road closures. A minimum of two lanes of traffic will be maintained at all times throughout the duration

of this project. Businesses in the area will be kept apprised of activities that will have impact on property access. The contractor and the City's contract administration consultant will strive to maintain access to local businesses.

The project, once complete, will also provide the opportunity for properties on private systems to connect to the municipal sanitary system. Property owners within the project limits also have an opportunity to take advantage of the City's Private Drain Connection (PDC) program which allows existing privately serviced properties with septic systems to obtain a PDC at a subsidized cost. Sanitary Frontage Charges and PDC charges consistent with City By-Laws will apply if a property owner chooses to connect to the municipal sanitary sewer system.

Tender Summary

Seven (7) contractors submitted tenders on the project with the tender prices listed below (excluding H.S.T.). Tenders for this project were opened on Wednesday February 28, 2018.

CONTRACTOR		TENDER PRICE SUBMITTED	CORRECTED TENDER PRICE
1.	L82 Construction Inc.	\$ 7,296,700.00	-
2.	Bre-Ex Construction Inc.	\$ 8,964,649.00	\$9,062,649.01
3.	CH Excavating Ltd.	\$ 9,455,397.03	-
4.	Birnam Excavating Ltd.	\$ 9,726,559.98	\$9,726,601.98
5.	J-AAR Excavating Ltd.	\$ 9,882,227.50	-
6.	Omega Contractors Inc.	\$ 9,886,604.47	-
7.	Blue-Con Construction	\$ 10,723,373.43	\$10,722,373.43

All tenders have been checked and clerical errors have been corrected. Each contractor's qualifications have been reviewed by the Environmental and Engineering Services Area and the City's Consultant, AECOM.

The tender estimate prior to tender opening was \$9,594,137.80 excluding H.S.T. L82's low bid submission is competitive and is approximately \$2,300,000 below the pre-tender estimate. All tenders shown above include a contingency allowance of \$850,000.00, excluding H.S.T.

Consulting Fees

AECOM has shown their competency and expertise with infrastructure projects of this type and have provided good performance in the past on City projects. City staff continue to foster a collaborative working relationship that focuses on achieving the lowest lifecycle cost and highest service performance for municipal infrastructure.

In accordance with Section 15.2(g) of the Procurement of Goods and Services Policy, Civic Administration is recommending that AECOM be authorized to carry out the construction administration for Phase 3 of the Southwest Area Trunk Sanitary Sewer. AECOM has satisfactorily completed the detailed design and construction administration for all phases of this trunk sanitary sewer and is recommended for award of the balance of the work having satisfied all financial, reporting and other conditions required of the Policy. It is to the financial advantage of the City due to the fact that this consultant has specific knowledge of the project and have undertaken work for which duplication would be required if another firm were to be selected.

In addition, staff have reviewed the fee submissions in detail considering the hourly rates provided by each staff member. Staff have confirmed that hourly rates are

consistent with those submitted through competitive processes. Staff also reviewed the time allocated to each project related task. Staff can confirm that 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. In general, the assignment is found to be reasonable and in-line with those that would be expected through a competitive process.

A breakdown of consulting fees for Phases 1, 2 and 3 of the Southwest Area Trunk Sanitary Sewer is shown below:

	Design Fee	Construction Administration Fee
Phase 1	\$399,926.00	\$526,460.00
Phase 2	\$167,523.00	\$267,349.56
Phase 3	\$361,624.00	\$482,025.50

Financial Impact

Contract costs for Phase 3 are under budget and less than the cost estimate in the 2014 Development Charge Sanitary Background Study and 2018 GMIS Update.

Future additional annual operating costs of \$1,500 are anticipated as a result of this project, noting that these costs are attributed to new infrastructure and can be accommodated within future City operating budgets.

CONCLUSIONS

Staff recommend that the construction contract be awarded to L82 Construction Ltd. to achieve project objectives. It is further recommended that AECOM undertake the contract administration and inspection services during construction as it is in the best technical and financial interest of the City.

Acknowledgements

This report was prepared by Kevin Graham, P.Eng of the Wastewater and Drainage Engineering Division.

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

April 5, 2018

Attach: Appendix A – Sources of Financing
Appendix B – Phase 3 Southwest Area Trunk Sanitary Sewer Location

c.c. John Freeman, Manager, Purchasing and Supply
AECOM Canada Ltd.
Gary McDonald, Budget Analyst
Alan Dunbar, Manager, Financial Planning and Policy
Jason Davies, Manager, Financial Planning and Policy