

<b>TO:</b>	<b>CHAIR AND MEMBERS CIVIC WORKS COMMITTEE MEETING ON MAY 15, 2018</b>
<b>FROM:</b>	<b>KELLY SCHERR, P.ENG., MBA, FEC MANAGING DIRECTOR, ENVIRONMENTAL AND ENGINEERING SERVICES AND CITY ENGINEER</b>
<b>SUBJECT:</b>	<b>CONTRACT AWARD: TENDER RFT 18-40 NORTH ROUTLEDGE PARK SANITARY SEWER SERVICING</b>

<b>RECOMMENDATION</b>
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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 North Routledge Park servicing project:

- (a) The bid submitted by Bre-Ex Construction Incorporated, 247 Exeter Road London ON N6L 1A5, for the construction of sewers on North Routledge Park, at its tender price of \$1,651,062.02, excluding H.S.T., **BE ACCEPTED**; it being noted that the bid submitted by Bre-Ex Construction Incorporated was the lowest of six bids received and meets the City’s specifications and requirements in all areas;
- (b) The financing for the project **BE APPROVED** in accordance with the “Source of Financing Report” attached, hereto, as Appendix ‘A’;
- (c) The Civic Administration **BE AUTHORIZED** to undertake all the administrative acts that are necessary in connection with this project;
- (d) The approvals given, herein, **BE CONDITIONAL** upon the Corporation entering into a formal contract for this project (Tender RFT18-40); and
- (e) 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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Civic Works Committee, Meeting on December 4, 2017 - Local Improvement Policy Review, Agenda Item #8

<b>2015-2019 STRATEGIC PLAN</b>
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This report supports the Strategic Plan in the following areas:

- Building a Sustainable City: robust infrastructure; strong and healthy environment; responsible growth;
- Leading in Public Service: open, accountable and responsive government; excellent service delivery.

## BACKGROUND

### Purpose

The purpose of this report is to award the contract for construction for the North Routledge Park sanitary sewer servicing project. The North Routledge project is not being awarded administratively because of required budget adjustments.

### Context

North Routledge Park is located off of Hyde Park Road (Appendix 'B') and consists of 12 light industrial properties, all of which do not have municipal sanitary servicing. These properties have either private septic systems or holding tanks that need to be pumped out on a regular basis. These systems are costly, which makes it difficult for a business to expand, and can have negative environmental impacts if the systems fail.

After a strong interest by property owners on North Routledge Park over the years, the North Routledge Park sanitary sewer servicing project was tendered, with the intent to construct in 2017. The lowest bid received was \$300,000 above the project budget. Due to the budget shortfall, a letter was issued to the contractor and property owners on North Routledge Park stating that the project would be retendered at a future date when more favourable pricing could be obtained, and/or when additional project budget could be identified.

## DISCUSSION

### Tender Summary

In March 2018, staff reissued the tender and six (6) contractors submitted tenders. The tender prices are listed below:

CONTRACTOR		TENDER PRICE SUBMITTED (excluding H.S.T.)
1.	Bre-Ex Construction Incorporated	\$1,651,062.02
2.	Blue-Con Construction	\$1,739,742.84
3.	CH Excavating	\$1,835,456.25
4.	Elgin Construction	\$1,853,438.08
5.	Omega Contractors Incorporated	\$1,890,841.81
6.	Van Bree Drainage and Bulldozing Limited	\$1,900,197.98

All tenders have been checked for accuracy.

### Project Funding

The North Routledge project is proposed to be funded from several sources including the Extension of Sanitary Sewers annual capital program, the Sewer Infrastructure Lifecycle Renewal Program, and the Sewage Works Reserve Fund. An amount equal to \$738,868 will be drawn from the rate supported portion of the current and several prior years Extension of Sanitary Sewers annual capital program. The Extension of Sanitary Sewers annual capital program includes both a "cash payments" funding source and a sewer rate supported funding source. The program was setup in this way as it can also be applied to works under the Local Improvements Act which requires landowners to subsidize a portion of the infrastructure work. As this project will not proceed under the Local Improvements Act and will not be subsidized by the landowners, a budget

adjustment is required to remove the cash payments portion of the Extension of Sanitary Sewers annual capital program funding.

In addition, \$800,000 of funding will be drawn from the Sewage Works Reserve Fund for the North Routledge Project. This value represents the amount of rate supported funding from prior years Extension of Sanitary Sewers program funding recently released as part of the approved 2017 Year-End Capital Monitoring Report. The remaining \$141,253 will be sourced as a transfer from the Sewer Infrastructure Lifecycle Renewal Program (ES241417).

**Construction Schedule**

Sanitary sewer construction is scheduled to begin in early June 2018. Construction activities will progress from the intersection of Hyde Park Road and North Routledge Park Road to the west limit of North Routledge Park Road.

<b>CONCLUSION</b>
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Staff recommend that the construction contract be awarded to Bre-Ex Construction Incorporated. Financing for the project is outlined in the “Sources of Financing Report” attached as Appendix ‘A’.

**Acknowledgements**

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

<b>PREPARED BY:</b>	<b>SUBMITTED BY:</b>
<b>TOM COPELAND, P.ENG. DIVISION MANAGER WASTEWATER AND DRAINAGE ENGINEERING</b>	<b>SCOTT MATHERS, P. ENG., MPA DIRECTOR, WATER AND WASTEWATER</b>
<b>RECOMMENDED BY:</b>	
<b>KELLY SCHERR, P.ENG., MBA, FEC MANAGING DIRECTOR ENVIRONMENTAL AND ENGINEERING SERVICES AND CITY ENGINEER</b>	

May 7, 2018

Attach: Appendix ‘A’ – Source of Financing  
Appendix ‘B’ – Location Map

cc: Debbie Gibson, Finance and Corporate Services  
Jason Davies, Manager, Financial Planning & Policy