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| TO: | CHAIR AND MEMBERS CIVIC WORKS COMMITTEE MEETING ON JULY 17, 2012 |
| FROM: | JOHN BRAAM, P. Eng. ACTING EXECUTIVE DIRECTOR, PLANNING, ENVIRONMENTAL AND ENGINEERING SERVICES & CITY ENGINEER |
| SUBJECT: | CONTRACT AWARD: TENDER 12-80 (ID1168) INNOVATION PARK INDUSTRIAL SUBDIVISION - PHASE 2 AND 4 SITE GRADING |

RECOMMENDATION

That, on the recommendation of the Acting Executive Director, Planning, Environmental and Engineering Services, and City Engineer, the following actions **BE TAKEN** with respect to the award of a contract for the Innovation Park Industrial Subdivision Phase 2 and 4 Site Grading Project (ID1168).

- (a) the bid submitted by VanRooyen Earthmoving Ltd., 714389 Middletown Line, RR#4 Woodstock, ON, N4S 7V8 at its tendered price of \$2,220,555 (excluding HST), for the construction of the Innovation Park Industrial Subdivision Phase 2 and 4 Site Grading Project, **BE ACCEPTED**; it being noted that the bid submitted by VanRooyen Earthmoving Ltd., was the lowest of seven (7) bids received and meets the City's specifications and requirements in all areas;
- (b) the contract with AECOM, 410-250 York Street, Citi Plaza, London ON, N6A 6K2, **BE INCREASED** by \$241,582 (excluding HST) in order to carry out the resident inspection and contract administration for the said project; it being noted that this new and additional scope of work increases the original upset limit to \$614,099.50 (excluding HST) in accordance with the estimate on file, noting that this firm completed the engineering design, based upon the Fee Guideline for Professional Engineering Services, 2006, recommended by the Ontario Society of Professional Engineers; and in accordance with: Section 15.2 g) of the Procurement of Goods and Services Policy;
- (b) the financing for the project **BE APPROVED** in accordance with the "Sources 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 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 12-80); and
- (e) 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

- BOC Report of 2008-06-18, Agenda Item #1: "Contract Award – Tender No. 08-44 ID1168, Innovation Park Industrial Subdivision Phase 1, Stage 1 and Phase 2."
- BOC Report of 2009-05-13, Agenda Item #4: "Contract Award – Tender No. 09-43 EW3606, TS2170, ID2058, ID1368, ID1168, Innovation Park Industrial Subdivision Phase 4 – Stage 1 and External Works – Bradley Avenue Watermain."
- Bill No. 279 – June 20, 2011 Council Minutes

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The reports noted above can be found at:

<http://www.london.ca/d.aspx?s=/meetings/ccminutes.htm>

BACKGROUND

Purpose:

AECOM completed the design and tender for the Innovation Park Industrial Subdivision Phase 2 and 4 Site Grading Project. The purpose of this report is to recommend that VanRooyen Earthmoving Ltd., be awarded the construction contract for this project and that AECOM be authorized to complete the resident inspection and contract administration for this project.

Discussion:

Innovation Park is a key part of the City's Industrial Land Development Strategy (ILDS). The overall Airport Road South Industrial Area is generally bounded by Old Victoria Road to the west, Thames River to the north, City of London boundary to the east and Highway 401 to the south. The total area is in the order of 600 gross hectares (1,500 acres), of which the City owns approximately 264 gross hectares (653 acres). The City's development, Innovation Park, is being developed in phases and stages subject to demand and funding (see Appendix "B" for reference map).

Administration has worked collaboratively with the LEDC and the City's consultant, AECOM, to develop strategic grading options in order to maximize marketing potential of some of the unsold lots in Phase 2 and Phase 4 of Innovation Park as well as the recently acquired property that abuts Phase 2 and fronts onto Veterans Memorial Parkway and Bradley Ave (referred to as Phase 2B). The goal of this grading work is to provide the City with further economic opportunities throughout the Innovation Park complex.

The preliminary design, detail design and tender of this project were new and additional scope of work to the original AECOM engineering assignments for Phase 2 and Phase 4. The fees for the preliminary design, detail design and tender of this project are being accommodated within the existing engineering assignments as scope changes. The engineering fees to complete the resident inspection and contract administration for this project are also new and additional scope of work to the original assignments. The fees for the resident inspection and contract administration for the Phase 2 work are recommended to be accommodated for by increasing the upset limit of the original AECOM Phase 2 engineering assignment to account for this new scope of work. With the approval of this report, the additional fees for the resident inspection and contract administration for the Phase 4 work will be accommodated within the original Phase 4 engineering assignment as a scope change. All engineering work is in accordance with the City of London's Procurement of Goods and Services Policy.

Tenders for the Innovation Park Industrial Subdivision Phase 2 and 4 Site Grading Project were opened on June 27, 2012. To provide the City flexibility to possibly facilitate a land sale and react to market demand, the tender requested separate prices for the Phase 2 and Phase 4 work. Seven (7) contractors submitted tender prices as listed below (exclusive of HST):

Phase 2:

| CONTRACTOR | | TENDER PRICE SUBMITTED | CORRECTED TENDER PRICE |
|------------|------------------------------|------------------------|------------------------|
| 1. | VanRooyen Earthmoving Ltd | \$1,303,155.00 | - |
| 2. | Ron Murphy Contracting Co. | \$1,453,400.00 | - |
| 3. | DeKay Construction | \$1,548,689.10 | - |
| 4. | Dalla Bona Construction Inc. | \$1,682,650.00 | - |

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| 5. | L82 Construction Ltd. | \$1,682,660.00 | \$1,683,960.00 |
| 6. | J-Aar Excavating | \$1,706,150.00 | - |
| 7. | Amico Infrastructures | \$2,101,126.75 | - |

All tenders have been checked by the Environmental and Engineering Services Department, and AECOM. One (1) of the tender bids contained a mathematical error. The corrected amount had no effect on the ranking of the tenders. The tender estimate just prior to tender opening was \$1,853,800.00 (excluding HST). All tenders include a contingency allowance of \$500,000.00 (excluding HST).

Phase 4:

| | CONTRACTOR | TENDER PRICE SUBMITTED | CORRECTED TENDER PRICE |
|----|------------------------------|------------------------|------------------------|
| 1. | VanRooyen Earthmoving Ltd | \$917,400.00 | - |
| 2. | Ron Murphy Contracting Co. | \$1,034,150.00 | - |
| 3. | L82 Construction Ltd. | \$1,074,240.00 | \$1,075,940.00 |
| 4. | DeKay Construction | \$1,136,467.38 | - |
| 5. | Dalla Bona Construction Inc. | \$1,233,590.00 | - |
| 6. | J-Aar Excavating | \$1,252,810.00 | - |
| 7. | Amico Infrastructures | \$1,542,907.00 | - |

All tenders have been checked by the Environmental and Engineering Services Department, and AECOM. One (1) of the tender bids contained a mathematical error. The corrected amount had no effect on the ranking of the tenders. The tender estimate just prior to tender opening was \$1,240,800.00 (excluding HST). All tenders include a contingency allowance of \$400,000.00 (excluding HST).

Phase 2 and 4 Combined (Recommended for Award):

| | CONTRACTOR | TENDER PRICE SUBMITTED | CORRECTED TENDER PRICE |
|----|------------------------------|------------------------|------------------------|
| 1. | VanRooyen Earthmoving Ltd | \$2,220,555.00 | - |
| 2. | Ron Murphy Contracting Co. | \$2,487,550.00 | - |
| 3. | DeKay Construction | \$2,685,156.48 | - |
| 4. | L82 Construction Ltd. | \$2,756,900.00 | \$2,759,900.00 |
| 5. | Dalla Bona Construction Inc. | \$2,916,240.00 | - |
| 6. | J-Aar Excavating | \$2,958,960.00 | - |
| 7. | Amico Infrastructures | \$3,644,033.75 | - |

All tenders have been checked by the Environmental and Engineering Services Department, and AECOM. One (1) of the tender bids contained a mathematical error. The corrected amount had no effect on the ranking of the tenders. The tender estimate just prior to tender opening was \$3,094,600.00 (excluding HST). All tenders include a contingency allowance of \$900,000.00 (excluding HST).

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Conclusions:

VanRooyen Earthmoving Ltd. has successfully completed other projects of similar size and nature to this project. The City's consultant for this project, AECOM has reviewed the submitted tender as well as additional reference information provided by VanRooyen Earthmoving Ltd. and AECOM is recommending that the tender be awarded to VanRooyen Earthmoving Ltd. Administration is in agreement with AECOM's recommendation; therefore, it is recommended that VanRooyen Earthmoving Ltd. be awarded the construction contract for the Innovation Park Industrial Subdivision Phase 2 and 4 Site Grading Project in the amount of \$2,220,555, exclusive of HST.

AECOM has demonstrated an understanding of the City's requirements for this project and will provide value to the City. Their proposal and work program meet the schedule and delivery requirements of the City and they have provided excellent service. Therefore, it is recommended that AECOM be authorized to complete the resident supervision and general administration for this project in the amount of \$241,582, exclusive of HST. This engineering consultant assignment is in compliance with the Procurement of Goods and Services Policy clause 15.2 'g'. It being noted that this work was not included in the original scope of work previously awarded to AECOM and increases the total engineering fees for the Innovation Industrial Park Phase 2 engineering assignment to an upset limit of \$614,099.50. It being noted that with the approval of this report, the new and additional engineering fees for the Phase 4 work will be accommodated within the original Phase 4 AECOM engineering assignment as a scope change.

There are no anticipated additional operating costs to the Environmental and Engineering Services budget in 2012 and subsequent years associated with the approval of this tender.

Acknowledgements:

This report was prepared within the Environmental and Engineering Services Department by Steve Mansell, Senior Technologist and Robert Sutton, P.Eng., Manager, Industrial Land Development and reviewed with Bill Warner, Manager, Realty Services.

| SUBMITTED BY: | RECOMMENDED BY: |
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| ROBERT SUTTON, P.ENG. MANAGER INDUSTRIAL LAND DEVELOPMENT | JOHN BRAAM, P.ENG. ACTING EXECUTIVE DIRECTOR, PLANNING, ENVIRONMENTAL AND ENGINEERING SERVICES & CITY ENGINEER |

July 18, 2012

Attach: Appendix "A" – Sources of Financing
Appendix "B" – Reference Map

c.c.: VanRooyen Earthmoving Ltd.
AECOM
John Braam, City Engineer
Tom Johnson, Corporate Assets
Pat Shack, Administrative Support/Finance

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**APPENDIX "B" REFERENCE MAP
INNOVATION PARK**

