

<b>TO:</b>	<b>CHAIR AND MEMBERS CIVIC WORKS COMMITTEE MEETING ON FEBRUARY 21, 2018</b>
<b>FROM:</b>	<b>KELLY SCHERR, P. ENG, MBA, FEC MANAGING DIRECTOR, ENVIRONMENTAL &amp; ENGINEERING SERVICES AND CITY ENGINEER</b>
<b>SUBJECT:</b>	<b>CONTRACT AWARD: TENDER NO. 17-128 DUNDAS PLACE</b>

<b>RECOMMENDATIONS</b>
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That, on the recommendation of the Managing Director, Environmental & Engineering Services and City Engineer, the following actions **BE TAKEN** with respect to the Dundas Place Project:

- (a) the bid submitted by Amico Infrastructures (Oxford) Inc., at its submitted tendered price of \$26,691,941.90 (excluding HST), for the said project **BE ACCEPTED**; it being noted that the bid submitted by Amico Infrastructures (Oxford) Inc. was the lowest of five bids received and meets the City's specifications and requirements in all areas;
- (b) Dillon Consulting Ltd., **BE AUTHORIZED** to carry out the resident inspection and construction administration of the said project in the amount of \$2,472,030 (excluding HST), in accordance with Section 15.2 (g) of the Procurement of Goods and Services Policy;
- (c) the financing for this 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 approval given herein **BE CONDITIONAL** upon the Corporation entering into a formal contract for the material to be supplied and the work to be done relating to this project (Tender 17-128); and,
- (f) the Mayor and City Clerk **BE AUTHORIZED** to execute any contract or other documents including utility agreements and reports, as required, to give effect to these recommendations.

<b>PREVIOUS REPORTS PERTINENT TO THIS MATTER</b>
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- Civic Works Committee – May 14, 2012 – Dundas Street Improvements, Formulating an Implementation Plan
- Civic Works Committee – August 25, 2014 – Dundas Flexible Street Scoping Study, Consulting Engineer Assignment Increase

- Planning and Environment Committee – February 2, 2015 - Our Move Forward: London’s Downtown Plan
- Civic Works Committee – February 3, 2015 – Dundas Flexible Street Scoping Study Approval
- Planning and Environment Committee – April 7, 2015 – Our Move Forward: London’s Downtown Plan
- Civic Works Committee – June 2, 2015 – Appointment of Consulting Engineer Dundas Place Environmental Assessment
- Strategic Priorities and Policy Committee – January 28, 2016 – Downtown Infrastructure Planning and Coordination
- Civic Works Committee – October 4, 2016 – Infrastructure Canada Phase One Investments Public Transit Infrastructure Fund
- Civic Works Committee – December 12, 2016 – Dundas Place Environmental Study Report
- Civic Works Committee – February 7, 2017 – Dundas Place Detailed Design and Tendering Appointment of Consulting Engineer
- Planning & Environment Committee – November 20, 2017 – Dundas Place Management Field House and Management
- Civic Works Committee – January 9, 2018 – Dundas Place Utility Construction Coordination

## **COUNCIL’S 2015-19 STRATEGIC PLAN**

Dundas Place is identified in the 2015-19 Strategic Plan for the City of London under the “Growing Our Economy” Strategic Area of Focus. Municipal Council has recognized the importance of urban regeneration. Dundas Place will invest in London’s downtown as the heart of our city by creating a flexible street for shopping, leisure, civic activities and celebrations. The subject of this report also responds to Council’s Strategic Plan Building a Sustainable City Area of Focus by coordinating needed lifecycle renewal of public and private assets.

## **BACKGROUND**

### **Purpose**

This report recommends the award of a construction tender to Amico Infrastructures (Oxford) Inc. and the appointment of construction administration services to Dillon Consulting Limited for the Dundas Place project. The contract includes infrastructure renewal, including extensive third party utility upgrades and creation of Dundas Place features along the four blocks from Ridout Street to Wellington Street.

### **Project Description**

Dundas Place aligns with the focus and goals set by Council through the City of London Strategic Plan and The London Plan. Dundas Place is the #1 Transformational Project in Our Move Forward: The Downtown Plan. The vision approved by Council in Our Move Forward is to transform Dundas Street into the most exciting street in London offering a multitude of experiences.



The environmental assessment process was undertaken with comprehensive public and agency engagement to identify the preferred alternative for Dundas Place in late 2016. Input was received from people across London, First Nations, property and business owners, stakeholder groups, external agencies, utilities and emergency service providers.

The ESR recommended a two-way flexible street with a symmetrical cross-section. Dundas Place will be a flexible street that allows pedestrians, cyclists and motorists to effectively share the same space while offering the opportunity to serve different programmed functions throughout the year. Construction of the street will utilize unique high-quality materials such as unit pavers, movable bollards and street furniture to define the character of the area.



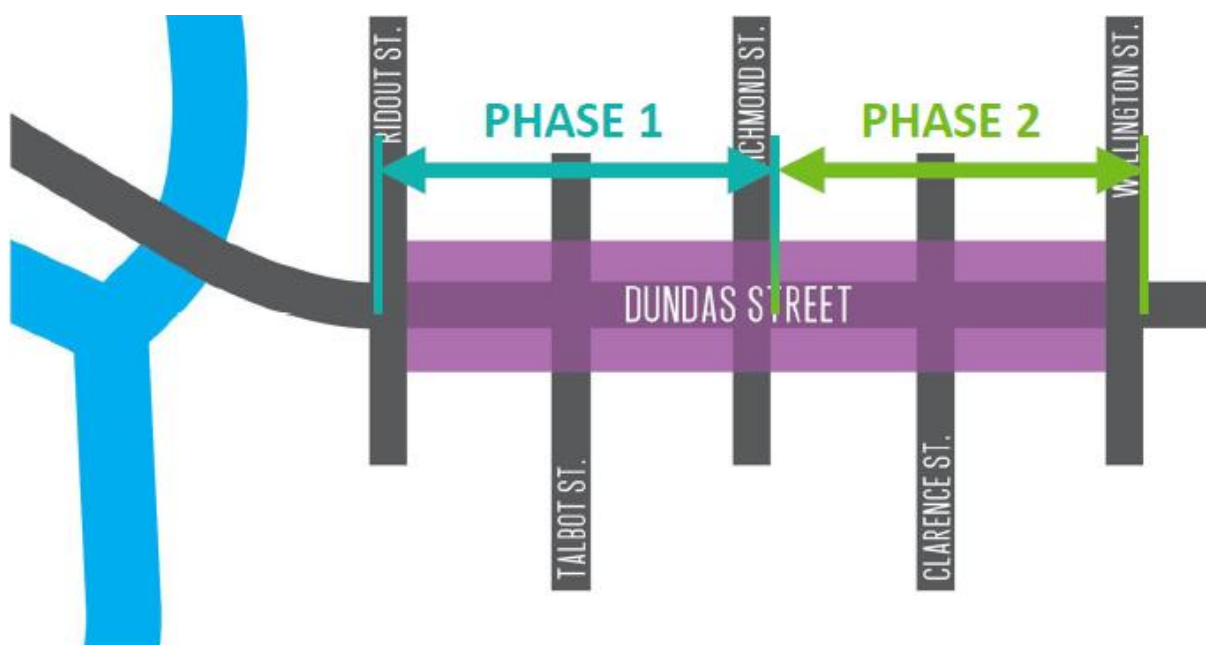
## DISCUSSION

### **Construction Considerations**

Mitigation of social impacts is a priority for London's capital construction programs. This project will transform Dundas Street through both surface enhancements, as well as extensive underground infrastructure renewal. Due to the narrow width of the ROW and scope of renewal and upgrades required for both City and private services, the construction coordination required under this project will be extensive. The project team is committed to coordinating and finding efficiencies in the construction work and providing communications that can help businesses through the construction phase.

The project requires the closure of the street to motor vehicles. Pedestrian access will be maintained at all times. The contract is set up to coordinate upgrades of all required City-owned services plus seven private utilities under one contract to execute the work as seamlessly as possible. This is the least impactful way to reconstruct Dundas Street but can create additional scheduling challenges and construction complexity. The contract identifies a large amount of work to be executed in a constrained right-of-way with a subsurface environment congested with utilities. The contract design aims to compress the construction schedule in consideration of stakeholder interests.

The construction will extend throughout 2018 and 2019. The construction staging for the project is displayed in the following figure:



The stakeholder engagement on this project has been a priority since its inception. Numerous public meetings have occurred to raise awareness and the project team has received feedback from Londoners throughout the City and specifically from property owners, business owners and residents in the area. During the design phase, the project team sought to hold face-to-face meetings with every property and business owner within the project limits. Over 80 meetings have taken place and discussions continue with people that are invested in the corridor.

A communications plan that builds upon this engagement will be implemented in partnership with the Downtown London BIA. Key components of this experience-driven plan include new ways of distributing timely and helpful information to stakeholders, rolling out programs to support businesses and their customers and the enhancement of communication efforts at critical entry and exit points along the four-block stretch. The plan will focus on improving the overall user experience to maximize time spent on Dundas Street and the downtown. It will aim to create positive experiences that businesses, residents, workers and visitors can all be a part of during construction and beyond.

Working with Downtown London and its members, the project team is developing core messaging and visuals that will convey the unique essence of the Dundas Place community this project will build upon. An ongoing effort will be made to highlight positive experiences and interactions that differentiate Dundas Place from other destinations. It will also be critical to communicate effectively when there are impacts that arise within the core resulting from weather, other construction, development and special events.

### **Utility Coordination**

The infrastructure renewal and upgrading being implemented under this project includes a large scope of work introduced by the private utility companies whose assets are located in the corridor. Common practice in less constrained corridors is to undertake private utility work separately and prior to the City capital contract, particularly where utilities are overhead and easily accessed. Given the large scope and the location of



utilities beneath the road surface, it was agreed by all partners to incorporate this work into a large coordinated capital contract. This approach provides efficiencies for each utility company by avoiding individual excavations and reinstatement of surface works for intermingled utilities in a congested subsurface. This also provides a significant reduction to the total construction duration and eliminates the need for subsequent disruptions to road users, businesses and property owners.

## Tender Summary

Tender submissions were opened on Friday January 26, 2018. Five contractors submitted tender prices as listed below (excluding HST):

CONTRACTOR		SUBMITTED TENDER PRICE (\$)	CORRECTED TENDER PRICE (\$)
1.	Amico Infrastructures (Oxford) Inc.	26,691,941.90	---
2.	L82 Construction Ltd.	27,465,857.82	---
3.	J-AAR Excavating Limited	27,470,100.76	27,469,075.51
4.	C.H. Excavating (London) Ltd.	30,441,818.28	---
5.	Bre-Ex Construction Inc.	31,496,876.43	---

All tenders have been checked by Dillon Consulting Ltd. One tender included a minor mathematical error that did not affect the results. The results of the tendering process indicate a competitive process. The tender was advertised early and for an extended period of time to account for the project complexities. The value of City and external utility works in the low tender are \$14.7 M and \$12.0 M respectively. The tender estimate prior to tender opening was \$25,000,000 (excluding HST). The components of the tender that are higher than estimated are related to external utility works.

## Financial Considerations

### City Components

The City portion of the funding for the Dundas Place contract is predominantly from the Dundas Place account under the Transportation budget. The tender value identifies that the project can be delivered within the approved budget. The Transportation funding includes a federal grant approved through the Public Transit Infrastructure Fund (PTIF) under the active transportation objectives of the program. The value of the approved PTIF component of the project is \$16 M resulting in an \$8 M federal investment. The PTIF program has recently provided an extension opportunity to the deadline for eligible costs to March 2020, so the PTIF funds are expected to be applicable to the entire two-year project construction.

The infrastructure renewal components also utilize funding from Water and Wastewater service areas. Due to the interconnected nature of the work occurring in both 2018 and 2019, a single tender was issued for all work being completed in both years. Funds for projects are typically budgeted as close to the time of construction as possible to ensure efficient use of financial resources. For the Dundas Place project, Water and Wastewater funds were budgeted to be spread over 2018 and 2019 to reflect the scheduled time of construction. As this contract is being awarded in totality in 2018, the Water and Wastewater project budgets require a budget adjustment to bring the 2019

project funding forward to 2018. These requested budget adjustments are reflected in the attached source of financing report attached in Appendix A.

### External Utility Components

Commitments from the partnering utility companies were obtained via memoranda of understanding (MOUs) with significant costs and scope of work. MOUs with London Hydro and Bell Canada were developed by the parties, approved by Council on January 16, 2018 and subsequently executed.

Commitments from utilities with less work were obtained via letter agreements. These companies are: Telus, Union Gas, Rogers Communications, LARGnet and Start Communications.

The agreements stipulate that each utility company is responsible for the actual costs of the corresponding work. Tender cost information was shared with the utility partners after the tender close.

The cost of the utility works for most of the companies were priced close to that estimated, with most costs lower than estimated. However, the tender costs for the complex and large scope of works identified by London Hydro and Bell Canada are higher than the estimates provided by the utility companies, resulting in commitments 58% and 74% higher than previously estimated respectively. The value of the London Hydro and Bell Canada components is quite consistent among the low tenders. This suggests that the tender value reflects the actual cost of the work.

### **Consultant Selection**

The administration of the construction phase entails complexities and scope not typical of standard construction projects. The successful implementation of the project involves complex downtown construction, management of project partner commitments, aggressive scheduling and management of unique urban design elements, all requiring excellent internal and external communications and project controls.

Dillon Consulting was selected to undertake the project environmental assessment and design after an initial competitive consultant procurement process in accordance with the procurement of Goods and Services Policy Section 15.2(e) in which three firms were shortlisted to submit detailed proposals following an open advertised request for qualifications.

The performance of Dillon Consulting during the environmental assessment was positive. A detailed understanding of the Dundas Place vision was obtained. This project commitment was extended through the design phase during which relationships and understanding of the various stakeholder interests were formed. Appointment of Dillon Consulting as the consulting engineer for the contract administration phase creates efficiencies providing financial advantage to the City by eliminating the duplication that would be required if another firm were introduced.

Considering the performance of Dillon Consulting, a proposal for construction administration services was requested and scope and fees were negotiated. The firm is familiar with the project stakeholders having been deeply involved in the extensive consultative efforts that occurred throughout the EA and design phases. Additionally, Dillon is knowledgeable of City staff and procedures through frequent work on multi-

disciplinary assignments. City staff also reviewed the time allocated to each project related task. The amount of time allocated to tasks is consistent with prior projects with similar components that have been awarded through a competitive process.

The scope of the consulting services include the administration of the large number of utility upgrades that are included in the contract. The agreements with the utility companies identify cost sharing of the contract administration fees commensurate with the type of work in the construction contract. In total, approximately one third of the consultant contract administration costs will be recovered from the project utility partners.

In accordance with Section 15.2(g) of the Procurement of Goods and Services Policy, Civic Administration is recommending Dillon Consulting be appointed as the consulting engineer for the detail design. The submission from Dillon Consulting includes a fee submission that indicates that the project can be completed within the funds available.

The City's requirement for the creation of record drawings following construction necessitates the reviewing engineer seal them on the basis of field verification and ongoing involvement. This requirement triggers consultant accountability for the design. Consequently, the continued use of Dillon Consulting who created and sealed the design drawings is required in order maintain this accountability process. The approval of this work will bring the value of the overall consulting assignment to \$4,345,116 (excluding HST).

## **CONCLUSION**

Dundas Street from Wellington Street to Ridout Street requires infrastructure renewal to provide the downtown a foundation on which to continue growing. The City transportation, water and wastewater services all require targeted upgrades. The utility companies with assets in the corridor also identified a need for upgrades to provide desired power and communications services to Dundas Street and the greater downtown. The creation of Dundas Place, leverages this investment with an opportunity to create London's most exciting street as identified in Our Move Forward: London's Downtown Plan.

The aggressive management of this project has produced a tender that will construct the project within the City's budget and on schedule. Civic Administration has reviewed the tender bids and recommends Amico Infrastructures (Oxford) Inc. be awarded the contract for the Dundas Place project. Amico submitted a compliant bid and has the resources to complete the project.

Dillon Consulting has developed an intimate knowledge of the project vision and its unique implementation complexities. It is recommended that Dillon continue as the consulting engineer for the purpose of construction administration and inspection services as it is in the best financial and technical interests of the City.

Anticipated additional annual operating costs associated with the management and operations of Dundas Place were addressed under the business case approved in the recent multi-year budget update.



## Acknowledgements

This report was prepared with assistance from Megan Hutchison, Corporate Communications.

<b>PREPARED BY:</b>	<b>REVIEWED AND CONCURRED BY:</b>
<b>DOUG MACRAE, P.ENG DIVISION MANAGER, TRANSPORTATION PLANNING &amp; DESIGN</b>	<b>EDWARD SOLDO, P.ENG. DIRECTOR, ROADS AND TRANSPORTATION</b>
<b>RECOMMENDED BY:</b>	
<b>KELLY SCHERR, P. ENG, MBA, FEC MANAGING DIRECTOR, ENVIRONMENTAL AND ENGINEERING SERVICES &amp; CITY ENGINEER</b>	

Attach: Appendix A: Sources of Financing

- c: Jim Yanchula, Planning  
Brian Huston, Dillon Consulting Limited  
Amico Infrastructures (Oxford) Inc. 2199 Blackacre Drive Oldcastle, ON N0R 1L0  
Janette MacDonald, Downtown London  
Allan Van Damme, London Hydro  
Andrew Zuk, Bell Canada  
Janet Rae, Rogers Communications  
Frederic Sua, Telus  
Bill Shewfelt, Start Communications  
Rob Elliot, Union Gas  
Tayfun Atasoy, LARGnet