

<b>TO:</b>	<b>CHAIR AND MEMBERS CIVIC WORKS COMMITTEE MEETING ON APRIL 16, 2019</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 NO. RFT 19-43 2019 INFRASTRUCTURE RENEWAL PROGRAM CONTRACT #3 WATERLOO STREET (OXFORD STREET EAST to GROSVENOR STREET)</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 award of contracts for the 2019 Infrastructure Renewal Program Contract #3 – Waterloo Street (Oxford Street East to Grosvenor Street) reconstruction project:

- (a) the bid submitted by L82 Construction Ltd. at its tendered price of \$3,687,977.82, excluding HST, **BE ACCEPTED**; it being noted that the bid submitted by L82 Construction Ltd. was the lowest of nine bids received and meets the City's specifications and requirements in all areas;
- (b) AECOM Canada Ltd. **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 \$248,534.00, 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 RFT19-43); and
- (f) 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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- Appointment of Consulting Engineers, Infrastructure Renewal Program 2017-2019, Civic Works Committee, July 17, 2017, Agenda Item #5

<b>2015-2019 STRATEGIC PLAN</b>
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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, in addition to improving safety, traffic operations and residential needs in London's neighbourhoods.

## BACKGROUND

### Purpose

This report recommends award of a construction tender to L82 Construction Ltd. and extension of consulting services to AECOM Canada Ltd. for the reconstruction of:

- Waterloo Street from Oxford Street East (not including the intersection) to Grosvenor Street (including the intersection).

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

### Context

This section of Waterloo Street has been identified as a high priority in the infrastructure renewal program due to the poor condition of the municipal infrastructure. Most of this sewer infrastructure dates from 1903-1916. The existing Waterloo Street watermain is a century-old cast iron main with a number of lead water services.

## DISCUSSION

The Waterloo Street infrastructure renewal project includes the following improvements:

- Replacement of the existing watermain with larger diameter pipe and replacement of water services to property line;
- Replacement of sanitary sewers;
- Replacement of storm sewers and catch basins to improve road drainage;
- Renewal of sanitary and/or storm private drain connections (PDC) where requested;
- Implementation of low impact development stormwater management controls (LIDS) through a 3<sup>rd</sup> pipe infiltration system; and
- Road reconstruction including new curb & gutter, asphalt, and sidewalk replacement all following the same widths and alignments as existing.

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

- Raised concrete intersections at both Waterloo Street/St. James Street and Waterloo Street/Grosvenor Street; and
- Streetscape improvements including construction of two boulevard 'pocket parks'.

The project limits are located wholly within the Bishop Hellmuth Heritage Conservation District. The project team has been working with the City's Heritage Planner to ensure the heritage components are implemented throughout the project, namely the two pocket parks, street name signage, and street names stamped into the concrete sidewalks.

Due to the pouring and curing of the concrete at the proposed Waterloo Street/St. James Street and Waterloo Street/Grosvenor Street raised concrete intersections, complete closures of both these intersections will be required for a minimum of seven days. Closures of the intersections will not be scheduled concurrently.

The St. Georges Public School is located within the project limits. In an effort to avoid construction while school is in session, construction staging will propose work in front of the school between July 2<sup>nd</sup> – August 30<sup>th</sup>. Co-ordination and communication has occurred between the school and project staff.

Both Bell Canada and London Hydro have identified infrastructure renewal needs for their respective utility works which have been incorporated into the Waterloo Street project tender. The City has entered into Cost Sharing Agreements with the utility

companies for these works and the construction costs will be recovered from the respective utility companies following completion of the project.

Infrastructure replacement needs have been coordinated within the Environmental and Engineering Services Department. Originally conceived for 2018, the project construction was originally anticipated to be funded through the Clean Water and Wastewater Fund. Unfortunately that funding source did not materialize and the construction had to be deferred. The 2019 construction of Waterloo Street is funded through existing approved budgets.

**Public Consultation**

A project update meeting was held on February 26, 2019 for all owners and residents within and immediately bordering the project area to address questions and concerns. This meeting was well attend with many engaged attendees interested in and asking questions about the construction project. Response to the project was generally positive overall.

**Service Replacement**

In conjunction with the construction of this project, the City is administering the Private Drain Connection (PDC) subsidy program, which allows property owners within the project limits an opportunity to voluntarily replace their PDC 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 2019 Infrastructure Renewal Program Contract #3 – Waterloo Street (Oxford St E to Grosvenor St) reconstruction project were opened on March 7, 2019. There were nine (9) contractors which submitted bids with their respective tender prices listed below (excluding HST):

CONTRACTOR		TENDER PRICE SUBMITTED
1	L82 Construction Ltd.	\$ 3,687,977.82
2	Blue-Con Construction	\$ 3,913,936.10
3	Omega Contractors Inc.	\$ 3,940,876.63
4	CH Excavating (2013)	\$ 3,977,567.35
5	Bre-Ex Construction Inc.	\$ 4,079,437.16
6	291 Construction Ltd.	\$ 4,143,036.91
7	J-AAR Excavating Limited	\$ 4,236,664.97
8	Elgin Construction	\$ 4,381,099.84
9	PV-EX Construction Ltd.	\$ 4,403,465.50

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

The pre-tender construction cost estimate for RFT19-43 was \$3,851,500.00, excluding HST. All tenders include a contingency allowance of \$300,000.00.

Additional annual Sewer Operations operating costs of \$1,200.00 have been identified for the low impact development 3<sup>rd</sup> pipe stormwater infiltration system. No additional operating costs have been associated with Water Operations.

**Consulting Services**

AECOM Canada Ltd. was awarded the detailed design design fees by Council on July 25, 2017 as a Clean Water and Wastewater Fund project. Due to the consultant’s knowledge and positive performance on the project, AECOM was invited to submit a proposal to carry out the construction contract administration and resident supervision. AECOM submitted a fee proposal of \$248,534.00 which includes a 10% contingency. 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 AECOM on this project for construction administration is of financial advantage to the City because AECOM 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 AECOM Canada Ltd. be authorized to carry out the remainder of engineering services to complete this project for the provided fee estimate of \$248,534.00, excluding HST, noting the upset amount for total engineering services for the project is \$440,246.00, excluding HST, with the pre-design and detailed design being funded through the Clean Water and Wastewater Fund.

<b>CONCLUSIONS</b>
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Award of the 2019 Infrastructure Renewal Program Contract #3 – Waterloo Street (Oxford Street East to Grosvenor Street) reconstruction project to L82 Construction Ltd. will allow the project objectives to be met within the available budget and schedule.

The retention of AECOM Canada Ltd. 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 Ryan Armstrong, C.E.T., Technologist II and reviewed by Kyle Chambers, P. Eng., Environmental Services Engineer.

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

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

c.c.	Aaron Rozentals	John Freeman	Gary McDonald
	Doug MacRae	Ugo DeCandido	Bell Canada
	L82 Construction Ltd.	AECOM Canada Ltd.	Alan Dunbar
	Jason Davies	Chris Ginty	City Solicitor’s Office
	London Hydro		