

<b>TO:</b>	<b>CHAIR AND MEMBERS CIVIC WORKS COMMITTEE MEETING ON JUNE 18, 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>COLONEL TALBOT PUMPING STATION CONSTRUCTION TENDER AWARD: TENDER T19-65</b>

<b>RECOMMENDATION</b>
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That on the recommendation of the Managing Director, Environmental and Engineering Services and City Engineer, and subject to receipt of requisite regulatory approvals, the following actions **BE TAKEN** with respect to the award of contract for the Colonel Talbot Pumping Station construction project:

- (a) the bid submitted by Hayman Construction Inc. at its tendered price of \$5,089,201.00, excluding HST, **BE ACCEPTED**; it being noted that the bid submitted by Hayman Construction Inc. was the lowest of five bids received and meets the City's specifications and requirements in all areas;
- (b) the value of the total detailed design and contract administration fees for Stantec Consulting Ltd., **BE INCREASED** by \$174,535.00, excluding HST to \$1,534,085.60 including contingency, to cover additional efforts required as a result of additional work scope;
- (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 relating to this project (Tender 19-65); 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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Civic Works Committee, April 16, 2019, Item 2.10 – Contract Award: Tender T19-21 Colonel Talbot Sanitary Sewer and Forcemain Installation.

Civic Works Committee, July 17, 2018, Item 2.7 – Dingman Creek and Colonel Talbot Pumping Stations Budget Adjustments.

Civic Works Committee, February 21, 2018, Item 2.5 – Colonel Talbot Pumping Station Fee Increase.

Civic Works Committee, December 1, 2015, Item 2.8 – Appointment of Consultant for Environmental Assessment, Design and Contract Administration for the Colonel Talbot Pumping Station & Sanitary Servicing Works.

Southwest Area Sanitary Servicing Master Plan:

<http://www.london.ca/residents/Environment/EAs/Pages/SW-Area-Sanitary-Servicing-Master-Plan.aspx>

<b>2019-2023 STRATEGIC PLAN</b>
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This project supports the 2019-2023 Strategic Plan through the following: Building a Sustainable City, Build infrastructure to support future development and protect the environment.

<b>BACKGROUND</b>
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**Purpose**

To seek Council approval to award a contract to Hayman Construction Inc. (Hayman) for the construction of the Colonel Talbot pumping station and to seek Council approval to increase the value of the contract with Stantec Consulting Ltd. (Stantec) for Engineering Services related to design and contract administration.

**Context**

The Colonel Talbot pumping station is a critical component in the wastewater servicing strategy for southwest London. This construction contract represents the final of four phases of construction required to bring this facility on line.

<b>DISCUSSION</b>
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The Colonel Talbot pumping station was identified in the Southwest Area Sanitary Servicing (SASS) Master Plan as a key component of the wastewater infrastructure serving the Southwinds, North Talbot, Bostwick and Crestwood neighbourhoods as defined by the Southwest Area Plan (SWAP).

The completion of the Colonel Talbot pumping station will allow three separate pumping stations to be removed from operation, and will greatly improve the operation of a fourth. Ultimately, this station is expected to act as a swing station, allowing flows from the southwest to be treated at either Oxford Wastewater Treatment Plant or Greenway Wastewater Treatment Plant (via Wonderland PS), depending on operating conditions at each facility. This strategy is reflective of a long-term strategy of the Wastewater Treatment Operations Division to incorporate flexible servicing operations within the system in order to maximize the effectiveness and efficiency of wastewater collection and treatment in the City of London.

Construction of the first two phases of this four-phased project are complete. The third phase, which will construct the forcemain and bring sewers to the pumping station site, was awarded in April and is currently underway. The work contemplated under this contract is the final phase and involves constructing the pumping station itself. Work under this contract is expected to be complete by the second quarter of 2020.

An application has been made to the Ontario Ministry of the Environment, Conservation and Parks for the Environmental Compliance Approval for this station. Commencement of construction will be subject to receipt of this approval.

**Increased Project Budget**

The duration of this project has presented unexpected challenges related to the overall project budget. Tendered amounts for previously tendered project phases have come in above expectations, which has consumed the project budget previously requested. In particular, phase three contract requirements resulted in significantly increased complexity, involving additional features from multiple City departments and extensive temporary works in order to maintain traffic flow in the area.

City staff and the consultant are working to incorporate modifications into that contract that will result in overall savings and retention of contingency, but those funds must

remain committed to Contract Three and are therefore not available. As a result, approximately \$2 million of additional funding is required in order to award the construction contract for Colonel Talbot Pumping Station, Contract Four of the project.

Overall divisional operating costs are expected to increase by an estimated \$350,000 annually as a result of the operation of this station.

**Increased Engineering Effort**

Over the course of three years of design and construction administration, the level of effort and complexity of the job has increased beyond what was contemplated when the original engineering services contract was signed.

The following list identifies the most significant changes resulting in increased costs:

- Redesign of the forcemain route that resulted in significant construction cost savings;
- Significant challenges related to two previous construction phases that consumed project contingency, and
- Extended duration of the project.

Wastewater Operations staff have been working with Stantec to minimize the impacts of these changes and are of the opinion that the request before Council for \$174,535.00 in additional fees resulting from the foregoing changes is fair and justified.

**Tender Summary**

Tenders in response to Request for Tender T19-65 were opened on May 7, 2019. Five (5) tenderers submitted tender prices as listed below, excluding HST.

CONTRACTOR		TENDER PRICE SUBMITTED
1.	Hayman Construction Inc.	\$5,089,201.00
2.	Finnbilt General Contracting Limited	\$5,238,520.00
3.	K&L Construction	\$5,345,003.00
4.	H2Ontario Inc.	\$5,404,965.00
5.	Robert B. Somerville Co. Limited	\$6,487,360.00

The lowest price tender from Hayman Construction Inc. was found to be compliant with the City’s procurement process. Hayman has successfully completed other projects of a similar nature with the City, and more specifically with the Wastewater Treatment Operations Division.

The tender estimate just prior to tender opening was \$4,900,000.00, excluding HST. All tenders include a contingency allowance of \$500,000.00.

<b>CONCLUSIONS</b>
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Hayman submitted the lowest tender price in response to Tender T19-65 and has demonstrated their ability to complete the required construction works through previously completed projects for the City of London. Award of T19-65 for the construction of the Colonel Talbot Pumping Station to Hayman Construction Inc. is recommended, pending regulatory approval.

Stantec Consulting Ltd. has performed additional work to ensure the success of this large infrastructure project to date. It is therefore recommended that the contract for Engineering Services be increased by \$174,535.00, which represents an appropriate increase based on efforts to date and expected efforts to the completion of the project.

**Acknowledgements**

This report was prepared with the assistance of Kirby Oudekerk, P.Eng., of the Wastewater Treatment Operations Division.

<b>SUBMITTED BY:</b>	<b>CONCURRED BY:</b>
<b>GEORDIE GAULD DIVISION MANAGER WASTEWATER TREATMENT OPERATIONS</b>	<b>SCOTT MATHERS, P. ENG. 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>	

Attach:       Appendix ‘A’ – Sources of Financing

- c.c.   John Freeman  
      Chris Ginty  
      Geordie Gauld  
      Alan Dunbar  
      Hayman Construction Inc.