

TO:	CHAIR AND MEMBERS CIVIC WORKS COMMITTEE MEETING ON JUNE 18, 2019
FROM:	KELLY SCHERR, P.ENG., MBA, FEC MANAGING DIRECTOR, ENVIRONMENTAL & ENGINEERING SERVICES & CITY ENGINEER
SUBJECT:	CONTRACT AWARD: TENDER NO. RFT19-56 FOX HOLLOW STORMWATER MANAGEMENT FACILITY NO. 1 - NORTH CELL (ESSWM-FH1)

RECOMMENDATION

That, on the recommendation of the Managing Director, Environmental & Engineering Services & City Engineer, the following actions **BE TAKEN** with respect to the award of contract for the Fox Hollow Stormwater Management Facility No. 1 North Cell project:

- (a) the bid submitted by DeKay Construction (1987) Ltd., at its tendered price of \$2,962,027.20, excluding HST, **BE ACCEPTED**; it being noted that the bid submitted by DeKay Construction (1987) Ltd., was the lowest of five (5) bids received;
- (b) The budget adjustment to increase Development Charges funding for project ESSWM-FH1 **BE APPROVED** to the Fox Hollow Stormwater Management Facility #1 North Cell, with a total budget increase of \$600,000 and an overall budget total in the amount of \$3,700,000;
- (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 No. RFT19-56); and
- (f) 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
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Civic Works Committee – February 6, 2018 – Appointment of Consulting Engineer for the Functional and Detailed Design and Contract Administration of Fox Hollow Stormwater Management Facility No. 1 – North Cell (ESSWM-FH1)

2015 – 2019 STRATEGIC PLAN

- The following report supports the 2015 – 2019 Strategic Plan through the strategic focus areas of Building a Sustainable City including:
- Robust Infrastructure 1B – Manage and improve water, wastewater, and stormwater infrastructure; and
 - Responsible Growth 5B – Build new transportation, water, wastewater and stormwater infrastructure as London grows.

BACKGROUND

Purpose

This report recommends the award of a tender to a contractor for construction of the Fox Hollow Stormwater Management Facility No. 1 North Cell project (location map

provided in Appendix ‘B’) which is the final major component of the stormwater servicing for the Fox Hollow development area. This is the second phase (North Cell) of Fox Hollow SWM Facility No. 1 with the first phase (South Cell) constructed in 2015.

Context

In May 2010, the City engaged Stantec for the functional and detailed design of the stormwater servicing and sanitary servicing works for the Fox Hollow development area. Since this time, Stantec has completed the bulk of the stormwater management servicing work for the Fox Hollow development area including the engineering and construction administration of the Fox Hollow Stormwater Management Facility No. 1 - South Cell which was completed in March 2015.

Construction of the Fox Hollow SWM Facility No. 1 - North Cell will be the fifth and final municipally built component of the Fox Hollow development area stormwater system. The facility will have a catchment area of 70 hectares (ha), of which 20.7 ha is currently draft plan approved for residential development containing approximately 587 units (324 single family and 263 medium density units). As per the 2018 Growth Management Implementation Strategy (GMIS), the SWM facility timing was moved forward from 2022 to 2019 to provide additional serviced lot supply in the northwest portion of the City.

DISCUSSION

Tender Summary

Tenders for construction of the Fox Hollow Stormwater Management Facility No. 1 North Cell project were opened on May 31, 2019. Five (5) contractors submitted tender prices as listed below, excluding HST.

Contractor		Tender Price Submitted
1.	DeKay Construction (1987) Ltd.	\$2,962,027.20
2.	CH Excavating (2013)	\$3,625,029.58
3.	J-AAR Excavating Limited	\$4,150,031.15
4.	L82 Construction Ltd.	\$4,924,957.40
5.	Ron Murphy Contracting Co. Ltd.	\$5,392,047.00

All tenders have been checked by the Environmental and Engineering Services Department and the City’s consultant, Stantec.

The tender estimate just prior to tender opening was \$3,500,000, excluding HST. The low tender is approximately 15% below the estimate indicating a competitive bidding environment. All tenders include a contingency allowance of \$600,000.

Financial Considerations

Following the Just-in-Time process, construction of the stormwater pond is required immediately due to near term residential development in the area. The current approved budget amount for the project is \$3,100,000. There are two primary reasons for the required budget increase. To meet unanticipated regulatory requirements, a costly groundwater cut-off wall was required. The purpose of this underground wall is to separate the groundwater regime from the surface water regime per the requirements outlined in the Ministry of Environment and Conservation Parks (MECP)’s Environment Compliance Approval.

The second reason for the required budget increase is due to the 5-year postponement in constructing the stormwater pond. This project was initially budgeted and scheduled to be constructed in 2014. In concert with the Growth Management Implementation Process (GMIS), the Just-In-Time process delays the construction of a stormwater pond until it is needed to facilitate development. As such, the significant construction price

inflation over the last 5 years has contributed to increased construction costs above the initial budget amount.

CONCLUSION

Award of the contract for construction of the Fox Hollow Stormwater Management Facility No. 1 North Cell to DeKay Construction (1987) Ltd. will allow the project to proceed and for development to occur in the Fox Hollow Community Development Area.

This report was prepared by Paul Titus, C.E.T., Program Manager, Stormwater Engineering Division.

SUBMITTED BY:	REVIEWED AND CONCURRED BY:
SHAWNA CHAMBERS, P.ENG., DPA DIVISION MANAGER STORMWATER ENGINEERING	SCOTT MATHERS, MPA, P. ENG. DIRECTOR, WATER AND 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’ – Location Map
- cc.

John Freeman, Manager, Purchasing and Supply
Jason Senese, Manager, Development Finance
Jason Davies, Financial Planning and Policy
Chris Ginty, Purchasing and Supply
Gary McDonald, Budget Analyst
DeKay Construction (1987) Ltd.
Stantec Consulting