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<b>TO:</b>	<b>CHAIR AND MEMBERS CIVIC WORKS COMMITTEE MEETING ON FEBRUARY 25, 2013</b>
<b>FROM:</b>	<b>JOHN BRAAM, P. Eng. MANAGING DIRECTOR, ENVIRONMENTAL &amp; ENGINEERING SERVICES &amp; CITY ENGINEER</b>
<b>SUBJECT:</b>	<b>CONTRACT AWARD: TENDER NO. 13-04 2013 INFRASTRUCTURE LIFECYCLE RENEWAL PROGRAM CONTRACT 7: PRICE STREET AND DAKIN STREET RECONSTRUCTION</b>

<b>RECOMMENDATION</b>
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That, on the recommendation of the Managing Director, Environmental & Engineering Services & City Engineer, the following actions **BE TAKEN** with respect to the award of contracts for the 2013 Lifecycle Renewal Program, Contract #7: Price Street and Dakin Street Reconstruction Project (ES2414-13, EW3765-13, TS3014-13).

- (a) the bid submitted by J-AAR Excavating Ltd. (J-AAR), 200 King Street, Ilderton, ON, N0M 2A0, at its tendered price of \$2,326,381.60 (excluding H.S.T.), for the 2013 Infrastructure Lifecycle Renewal Program, Contract #7 project, **BE ACCEPTED**; it being pointed out that the bid submitted by J-AAR was the lowest of nine bids received and meets the City's specifications and requirements in all areas;
- (b) Archibald, Gray, McKay Consulting Engineers (AGM), 3514 White Oak Road London ON, N6E 2Z9, **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 \$240,983.00 (excluding H.S.T.), noting that this firm completed the engineering design, based upon the Fee Guideline for Professional Engineering Services, recommended by the Ontario Society of Professional Engineers; and in accordance with Section 15.2 (g) of the City of London's Procurement of Goods and Services Policy;
- (c) minor future additional annual operating costs of \$1,600.00 **BE RECOGNIZED** as a result of this project noting that these costs are as a result of new infrastructure installation and will be considered and accommodated within future Water & Wastewater operating budgets;
- (d) the financing for this project **BE APPROVED** as set out in the Sources of Financing Report attached hereto as Appendix "A";
- (e) the Civic Administration **BE AUTHORIZED** to undertake all the administrative acts that are necessary in connection with this project;
- (f) 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 13-04); and
- (g) 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 Lifecycle Renewal and Growth Management Implementation Strategy Programs, 2012-2013 (Contract C), Built and Natural Environment Committee, July 18, 2011, Agenda Item #6

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

This report recommends award of tender to a contractor and continuation of consulting services for the reconstruction of:

Price Street from the Thames River to Homan Street  
Dakin Street from Price Street to St. Julien Street

This work includes installation of new storm sewers including a new outfall to the Thames River, replacement of existing sanitary sewers including the outfall structure from Vauxhall Wastewater Treatment Plant (VWTP), watermain and lead water service replacement, construction of new sidewalks, curb and gutter, and asphalt road.

Infrastructure replacement needs have been coordinated with Wastewater and Drainage Engineering, Water Engineering, Pollution Control Operations, Parks and Recreation and Construction Administration for efficient use of funds during construction.

**Discussion:**

The design of the Price Street and Dakin Street project was included in the approved 2011 Wastewater & Treatment and Water Capital Works Budgets. Due to the complexities of the project, it was intended to be a two year design period project with construction planned for the 2013 construction season. This construction was included in the approved 2013 Wastewater & Treatment and Water Capital Works Budgets.

Price Street and Dakin Street have been identified as high priorities in the replacement programs due to the poor condition of the municipal infrastructure. The sanitary sewer, private drain connections and cast iron watermains on these streets were originally installed between 1915 and 1925. The sewers and watermain in this location have reached the end of their life expectancy. In addition, there are currently no storm sewers within the project limits. Introducing 680 meters of new storm sewers and a new outfall to the river will provide increased surface flooding protection to the neighborhood. Liaison with Upper Thames River Conservation Authority (UTRCA) was essential in determining the location of the storm outfall, and UTRCA approval for this project has been received.

The proposed storm outlet for this project crosses Vauxhall Park at the foot of Price Street. Vauxhall is an active park hosting four baseball diamonds. As a result of several meetings with Parks and Recreation staff and the local baseball association representatives, provisions have been made to keep these diamonds active through construction however parking will be restricted during the reconstruction of Price Street.

It should also be noted that Vauxhall Park is a closed landfill. Construction of the storm outlet through the park will result in a significant quantity of non hazardous waste being excavated and properly disposed of at W12A. Consultations with Solid Waste Management Division have been ongoing with respect to this matter and no issues are anticipated.

Price Street is currently the only access available to Vauxhall Wastewater Treatment Plant (VWTP), and during construction, it will not be possible for tanker trucks to access VWTP via Price Street. In order to maintain truck traffic to VWTP, a temporary gravel access route will be constructed from St. Julien Street across the Rivers Edge Disk Golf Course and St. Julien Skate Park. While disruption to this park will be minimal, truck traffic to VWTP will be rerouted along Hamilton Road to St. Julien Street, which will create truck traffic on St. Julien when previously there was none. An information letter will be prepared and delivered to the residents of St. Julien Street. This detour is expected to last approximately 8 weeks.

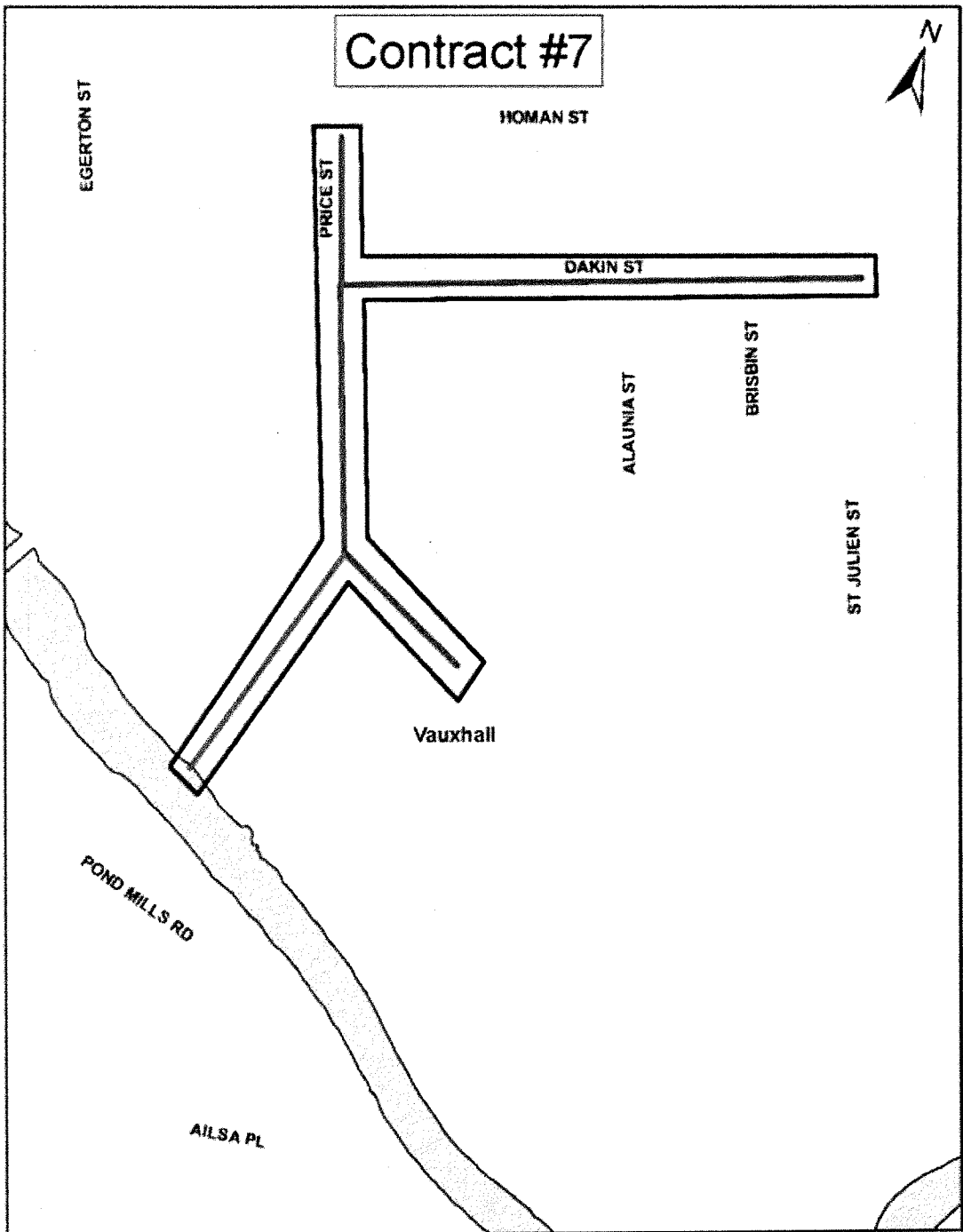
The construction program also includes replacement of lead water services, replacement of private drain connections, replacement of curb and gutter, new sidewalks and full asphalt road replacement for the full limits of construction.

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This project also effectively removes existing combined sewers in the general area. Removing storm water from the sanitary sewer reduces the risk of basement flooding as it lowers the risk of sewer overloading. It also provides the added benefit of reduced treatment costs to the City at the Wastewater Treatment Plants. Removing these extraneous flows also will result in fewer combined sewer overflows providing direct environmental benefits.

A public information session was held on November 15, 2012 specifically for all owners and residents within and immediately bordering the project area to address questions and concerns.

A Project Location map is included below for reference.



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Private Drain Connection (PDC) program which allows property owners within the projects limits an opportunity to voluntarily replace their PDC's at a subsidized cost under the authority of City By-laws. Similarly the Lead Replacement Program is also covered by City By-laws. As part of this project, the water service connection will be replaced to property line at the City's cost and the property owner may elect to replace their private side connection at their cost. Homeowners may be eligible to participate in the Lead Service Extension Replacement Loan Program.

#### **Tender Summary:**

Tenders for the 2013 Infrastructure Lifecycle Renewal Program, Contract #7 Project were opened on January 16, 2013. Nine (9) contractors submitted tender prices as listed below (exclusive of H.S.T.).

CONTRACTOR		TENDER PRICE SUBMITTED	CORRECTED TENDER PRICE
1.	J-AAR Excavating Limited	\$2,326,381.60	--
2.	L-82 Construction	\$2,428,954.93	--
3.	Van Bree Drainage	\$2,548,019.96	\$2,548,518.43
4.	Omega Contractors	\$2,583,916.85	--
5.	Birnham Excavating	\$2,827,621.02	--
6.	Elgin Construction	\$2,879,537.25	--
7.	Bre-Ex Limited	\$2,940,976.77	--
8.	Tri-Con Excavating	\$3,220,645.06	\$3,218,927.04
9.	291 Construction	\$3,564,971.41	--

All tenders have been checked by the Environmental and Engineering Services Department and the City's consultant, AGM. There were two bids with mathematical errors which when corrected did not alter the bid ranking.

The tender estimate just prior to tender opening was \$2,876,000.00 (excluding H.S.T.). The low tender is about 20% below the estimate indicating a continuing competitive environment and illustrates the benefit of tendering projects early in the construction season. All tenders include a contingency allowance of \$200,000.00 (excluding H.S.T.).

Minor future additional annual operating costs of \$1,600.00 are recognized as a result of this project noting that these costs are attributed to new infrastructure installation and will be considered and accommodated within future Wastewater & Treatment operating budgets.

#### **Consulting Services:**

AGM was awarded the detailed design by Council on July 18, 2011. Due to their knowledge and experience with this project, AGM was requested to submit a proposal to carry out the contract administration and resident supervision for this project. In accordance with Section 15.2 (g) of the City of London's Procurement of Goods and Services Policy, the administration is recommending that AGM be authorized to carry out the remainder of engineering services to complete this project for the provided fee estimate of \$240,982.50 (excluding H.S.T.), noting the upset amount for total engineering services for the project is \$434,560.50 (excluding H.S.T.) spread over 2011 – 2013.

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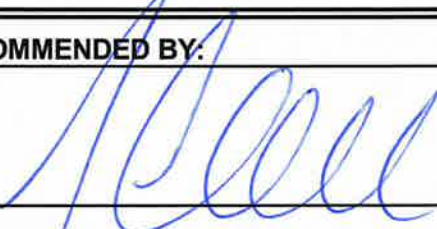

**Conclusions:**

Award of the construction contract to J-AAR will allow the project objectives to be met within the available budget.

The use of AGM 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 Ugo DeCandido, Environmental Services Engineer, and Doug Harron, Technologist.

<b>SUBMITTED BY:</b>	<b>RECOMMENDED BY:</b>
	
<b>TOM COPELAND, P. ENG. DIVISION MANAGER WASTEWATER AND DRAINAGE ENGINEERING</b>	<b>JOHN LUCAS, P. ENG. DIRECTOR, WATER AND WASTEWATER</b>
<b>CONCURRED BY:</b>	
	
<b>JOHN BRAAM, P.ENG. MANAGING DIRECTOR, ENVIRONMENTAL &amp; ENGINEERING SERVICES &amp; CITY ENGINEER</b>	

January 25, 2013  
UD/dh

Attach: Appendix "A" – Sources of Financing

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- |      |                                   |                                |                                  |            |
|------|-----------------------------------|--------------------------------|----------------------------------|------------|
| c.c. | Roland Welker<br>J-AAR Excavating | Rick Pedlow<br>AGM Engineering | Justin Lawrence<br>Geordie Gauld | John Simon |
|------|-----------------------------------|--------------------------------|----------------------------------|------------|

Chair and Members  
Civic Works Committee

February 1, 2013  
(Award Contract)

RE: 2013 Infrastructure Lifecycle Renewal Program  
 Contract 7: Price Street and Dakin Street Reconstruction  
 Capital Project ES2414-12 - 2012 Sewer Replacement  
 Capital Project ES2414-13 - 2013 Sewer Replacement  
 Capital Project EW3765-12 - 2012 Main Replacement-Engineering  
 Capital Project EW3765-13 - 2013 Main Replacement-Engineering  
 Capital Project TS3014-13 - 2013 Road Rehabilitation - Local & Rural  
 J-AAR Excavating Ltd. - \$2,326,381.60 (excluding H.S.T.)  
 Archibald, Gray, Mckay Consulting Engineers - \$240,983.00 (excluding H.S.T.)

**FINANCE DEPARTMENT REPORT ON THE SOURCES OF FINANCING:**

Finance Department confirms that the cost of this project can be accommodated within the financing available for it in the Capital Works Budget and that, subject to the adoption of the recommendations of the Managing Director, Environmental and Engineering Services & City Engineer, the detailed source of financing for this project is:

	2013				
	Proposed & 2)	Revised	Committed	This	Balance for
<u>SUMMARY OF ESTIMATED EXPENDITURES</u>	Approved Budgets	Budget	to Date	Submission	Future Work
<b>ES2414-12 - 2012 Sewer Replacement</b>					
Engineering	\$147,135	\$147,135		\$147,135	\$0
Construction	8,823,176	8,823,176	5,996,319		2,826,857
Construction (PDC Portion)	205,400	205,400	205,400		0
City Related Expenses	69,689	69,689	69,689		0
	<u>9,245,400</u>	<u>9,245,400</u>	<u>6,271,408</u>	<u>147,135</u>	<u>2,826,857</u>
<b>ES2414-13 - 2013 Sewer Replacement</b>					
Engineering					0
Construction	10,322,000	10,322,000		1,510,399	8,811,601
Construction (PDC Portion)		16,000		16,000	0
	<u>10,322,000</u>	<u>10,338,000</u>	<u>0</u>	<u>1,526,399</u>	<u>8,811,601</u>
<b>EW3765-12 - 2012 Main Repl.-Engineering</b>					
Engineering	982,185	982,185	884,096	98,089	0
Construction	3,570,225	3,570,225	3,110,060		460,165
Relocate Utilities	65,000	65,000	818		64,182
City Related Expenses	67,590	67,590	67,590		0
	<u>4,685,000</u>	<u>4,685,000</u>	<u>4,062,564</u>	<u>98,089</u>	<u>524,347</u>
<b>EW3765-13 - 2013 Main Repl.-Engineering</b>					
Engineering	340,000	340,000			340,000
Construction	5,890,500	5,890,500		560,554	5,329,946
Relocate Utilities	65,000	65,000			65,000
City Related Expenses	23,500	23,500			23,500
	<u>6,319,000</u>	<u>6,319,000</u>	<u>0</u>	<u>560,554</u>	<u>5,758,446</u>
<b>TS3014-13 2013 Road Rehab-Local &amp; Rural 2)</b>					
Construction	4,000,000	4,000,000		280,374	3,719,626
<b>NET ESTIMATED EXPENDITURES</b>	<b><u>\$34,571,400</u></b>	<b><u>\$34,587,400</u></b>	<b><u>\$10,333,972</u></b>	<b><u>\$2,612,551 1)</u></b>	<b><u>\$21,640,877</u></b>

**SUMMARY OF FINANCING:**

<b>ES2414-12 - 2012 Sewer Repl. Program</b>					
Drawdown from Sewage Works Reserve Fund	\$6,290,000	\$6,290,000	\$3,316,008	\$147,135	\$2,826,857
Federal Gas Tax	2,750,000	2,750,000	2,750,000		0
Cash Recovery from Property Owners (PDC Portion)	205,400	205,400	205,400		0
	<u>9,245,400</u>	<u>9,245,400</u>	<u>6,271,408</u>	<u>147,135</u>	<u>2,826,857</u>
<b>ES2414-13 - 2013 Sewer Replacement</b>					
Capital Sewer Rates	430,000	430,000			430,000
Debenture Quota 3a)	121,000	121,000			121,000
Drawdown from Sewage Works Reserve Fund	7,021,000	7,021,000			7,021,000
Federal Gas Tax	2,750,000	2,750,000		1,510,399	1,239,601
Cash Recovery from Property Owners (PDC Portion)		16,000		16,000	0
	<u>10,322,000</u>	<u>10,338,000</u>	<u>0</u>	<u>1,526,399</u>	<u>8,811,601</u>
<b>EW3765-12 - 2012 Main Repl.-Engineering</b>					
Capital Water Rates	4,685,000	4,685,000	4,062,564	98,089	524,347
<b>EW3765-13 - 2013 Main Repl.-Engineering</b>					
Capital Water Rates	6,319,000	6,319,000	0	560,554	5,758,446
<b>TS3014-13 2013 Road Rehab-Local &amp; Rural 2)</b>					
Capital Levy	2,256,350	2,256,350		280,374	1,975,976
Debenture Quota 3b)	1,743,650	1,743,650			1,743,650
	<u>4,000,000</u>	<u>4,000,000</u>	<u>0</u>	<u>280,374</u>	<u>3,719,626</u>
<b>TOTAL FINANCING</b>	<b><u>\$34,571,400</u></b>	<b><u>\$34,587,400</u></b>	<b><u>\$10,333,972</u></b>	<b><u>\$2,612,551</u></b>	<b><u>\$21,640,877</u></b>

1) **FINANCIAL NOTE:**

	ES2414-13	EW3765-13	TS3014-13	Total Construction
Contract Price - Construction	\$1,499,999	\$550,858	\$275,525	\$2,326,382
Add: HST @13%	195,000	71,612	35,818	302,430
Total Contract Price Including Taxes	1,694,999	622,470	311,343	2,628,812
Less: HST Rebate	168,600	61,916	30,969	261,485
Net Contract Price	<u>\$1,526,399</u>	<u>\$560,554</u>	<u>\$280,374</u>	<u>\$2,367,327</u>
				<b>Total Engineering</b>
Contract Price - Engineering	\$144,590	\$96,393		\$240,983
Add: HST @13%	18,797	12,531		31,328
Total Contract Price Including Taxes	163,387	108,924		272,311
Less: HST Rebate	16,252	10,835		27,087
Net Contract Price	<u>\$147,135</u>	<u>\$98,089</u>		<u>\$245,224</u>
<b>Total Construction &amp; Engineering</b>				<b><u>\$2,612,551</u></b>

Chair and Members  
Civic Works Committee

February 1, 2013  
(Award Contract)

**RE: 2013 Infrastructure Lifecycle Renewal Program**  
**Contract 7: Price Street and Dakin Street Reconstruction**  
**Capital Project ES2414-12 - 2012 Sewer Replacement**  
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**Capital Project EW3765-13 - 2013 Main Replacement-Engineering**  
**Capital Project TS3014-13 - 2013 Road Rehabilitation - Local & Rural**  
**J-AAR Excavating Ltd. - \$2,326,381.60 (excluding H.S.T.)**  
**Archibald, Gray, Mckay Consulting Engineers - \$240,983.00 (excluding H.S.T.)**

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2) The proposed 2013 Property Tax Supported Budget is subject to Council approval February 28, 2013.

**NOTE TO CITY CLERK:**

- 3) Administration hereby certifies that the estimated amounts payable in respect of this project does not exceed the annual financial debt and obligation limit for the Municipality of Municipal Affairs in accordance with the provisions of Ontario Regulation 403/02 made under the Municipal Act, and accordingly the City Clerk is hereby requested to prepare and introduce the necessary authorizing by-laws.
- a) An authorizing by-law should be drafted to secure debenture financing for Project ES2414-13 - 2013 Sewer Replacement for the net amount to be debentured of \$121,000.
- b) An authorizing by-law should be drafted to secure debenture financing for Project TS3014-13 - 2013 Road Rehab - Local & Rural for the net amount to be debentured of \$1,743,650.
- 4) Minor future additional annual operating costs of \$1,600 are recognized as a result of this project noting that these costs are attributed to new infrastructure installation and will be considered and accommodated within future Wastewater & Treatment operating budgets.

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Alan Dunbar  
Manager of Financial Planning & Policy

JG