

TO:	CHAIR AND MEMBERS CIVIC WORKS COMMITTEE MEETING ON MARCH 10, 2020
FROM:	KELLY SCHERR, P. ENG., MBA, FEC MANAGING DIRECTOR, ENVIRONMENTAL AND ENGINEERING SERVICES AND CITY ENGINEER
SUBJECT:	CONTRACT AWARD: REQUEST FOR TENDER 20-14 2020 INFRASTRUCTURE RENEWAL PROGRAM CONTRACT #10 EGERTON STREET, HAMILTON ROAD, AND TRAFALGAR STREET PROJECT

RECOMMENDATION

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 contract for the 2020 Infrastructure Renewal Program Egerton Street, Hamilton Road, and Trafalgar Street reconstruction project:

- (a) the bid submitted by Bre-Ex Construction Inc. at its tendered price of \$4,644,111.78, excluding HST, **BE ACCEPTED**; it being noted that the bid submitted by Bre-Ex Construction Inc. was the lowest of six bids received and meets the City's specifications and requirements in all areas;
- (b) Archibald, Gray and McKay Engineering Ltd. (AGM) **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 \$422,400.00, 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 RFT20-14); 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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- Appointment of Consulting Engineers Infrastructure Renewal Program, Civic Works Committee, June 18, 2019.
- Contract Award: Tender No. RFT 19-02 2019 Infrastructure Renewal Program Egerton Street, Brydges Street and Pine Street Phase 2 Reconstruction Project, Civic Works Committee, February 20, 2019.
- Contract Award: Tender No. 18-03 – 2018 Infrastructure Renewal Program – Egerton Street and King Street Phase 1 Reconstruction Project, Civic Works Committee, March 19, 2018.

- Appointment of Consulting Engineers, Infrastructure Renewal Program 2017-2019, Civic Works Committee, July 17, 2017.
- Appointment of Consulting Engineers, Infrastructure Renewal Program 2015-2016, Civic Works Committee, May 26, 2014.

2019-2023 STRATEGIC PLAN

This report supports the Strategic Plan in the following areas:

- Building a Sustainable City:
 - Build infrastructure to support future development and protect the environment.
 - Manage the infrastructure gap for all assets.
 - Protect and enhance waterways, wetlands, and natural areas.

BACKGROUND

Purpose

This report recommends award of tender to Bre-Ex Construction Inc., and continuation of consulting services to Archibald, Gray and McKay Engineering Ltd. (AGM) for the reconstruction of:

- Egerton Street from Ormsby Street to Cameron Street;
- Hamilton Road from Trafalgar Street to Price Street;
- Trafalgar Street from Egerton Street to Hydro Street.

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

Context

Egerton Street, Trafalgar Street, and Hamilton Road have each been identified as a high priority in the infrastructure renewal program due to the poor condition of the municipal infrastructure. Most of this infrastructure, including the historical Egerton double trunk sewer, dates from the 1900s to the 1920s and has reached the end of its life expectancy. This project is the third phase of three overall phases of infrastructure renewal along Egerton Street.

DISCUSSION

The Egerton Street, Hamilton Road, and Trafalgar Street infrastructure renewal project includes the following improvements:

- installation of sanitary sewers and existing private drain connection renewal, where applicable;
- installation of storm sewers and existing private drain connection renewal, where applicable;
- installation of watermain and individual water services to property line where applicable;
- full road reconstruction including new asphalt, curb and gutter, and sidewalk;
- installation of a new westbound-southbound left turn lane on Hamilton Road;
- installation of new bike lanes on Egerton Street and extension of bike lanes on Trafalgar Street;
- installation of new Urban Design features including coloured, stamped asphalt crosswalks, island and boulevard plantings, and sidewalk surface enhancements;

- inclusion of underground works by Bell Canada, who has infrastructure needs.

Infrastructure replacement needs have been coordinated within the Environmental and Engineering Services Department. The funding for this project comes from the approved 2020 Wastewater and Treatment, Water, and Transportation Capital Works Budgets.

Public Consultation

A project update meeting was held on December 5, 2019 for all owners and residents within and immediately bordering the project area to address questions and concerns. This meeting was attended by a few property and business owners with no significant concerns noted. Staff have been informed of a number of residents with special needs that will be accommodated throughout this construction contract. Communication has been taking place with all the business owners and contact information has been collected to ensure that communication can continue throughout the project.

Service Replacement

In conjunction with the construction of this project, the City is replacing existing sewer private drain connections to approximately two metres back of curb, where applicable, to help minimize future excavations, and in order to extend the service life of the roadway. As part of this project, the water service connections will be replaced to the property line. 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 2020 Infrastructure Renewal Program for the Egerton Street, Hamilton Road, and Trafalgar Street reconstruction project were opened on February 5, 2020. six contractors submitted tender prices as listed below, excluding HST.

CONTRACTOR		TENDER PRICE SUBMITTED
1.	Bre-Ex Construction Inc.	\$4,644,111.78
2.	J-AAR Excavating Limited	\$4,756,555.91
3.	CH Excavating (2013)	\$4,768,805.25
4.	Blue-Con Construction	\$5,065,213.31
5.	L82 Construction Ltd.	\$5,183,204.79
6.	Omega Contractors Inc.	\$5,594,604.06

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

The tender estimate just prior to tender opening was \$4,671,852.19, excluding HST. All tenders include a contingency allowance of \$400,000.00.

Operating Budget Impacts

Additional annual sewer, water, and transportation operating costs attributed to new infrastructure installation are summarized in the following table.

Division	Rationale	Operational Cost Increase
Sewer Operations	No additional increase in sewer maintenance required	\$0
Water Operations	No additional increase in water services or total length of watermain	\$0
Transportation Operations	Road maintenance cost (As per Table 8 and 10 of the London ON Bikes report.)	\$6,134
Parks Operations	Plantings	\$9,000
Total		\$15,134

Consulting Services

AGM was awarded the detailed design for Phase 3 by Council on June 18, 2019. Due to the consultant's knowledge and positive performance on the project, the consultant was invited to submit a proposal to carry out the contract administration and resident supervision. AGM submitted a proposal which included an upset limit of \$422,400.00. This proposal contains 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 AGM on this project for construction administration is of financial advantage to the City because AGM 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, AGM has satisfactorily completed a substantial part of the project and is recommended for award of the balance of the project. The administration recommends that AGM be authorized to carry out the remainder of engineering services to complete this Egerton Phase 3 project for the provided fee estimate of \$422,400.00 excluding HST, noting the upset amount for total engineering services for Phase 1, Phase 2, and Phase 3 is \$2,312,817.00 spread over 2014-2021.

CONCLUSIONS

Award of the 2020 Infrastructure Renewal Program, Egerton Street, Hamilton Road, and Trafalgar Street Phase 3 reconstruction project to Bre-Ex Construction Inc. will allow the project objectives to be met within the available budget and schedule.

The use of AGM for the remainder of engineering services for this project is in the best financial and technical interests of the City.

SUBMITTED BY:	REVIEWED & CONCURRED BY:
ASHLEY M. RAMMELOO, MMSc., P.ENG. DIVISION MANAGER SEWER 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
Doug MacRae
AGM
Chris Ginty

John Freeman
Ugo DeCandido
Alan Dunbar
Bre-Ex Construction Inc.

Gary McDonald
Bell Canada
Jason Davies

APPENDIX 'A'

#20024

Chair and Members
Civic Works Committee

March 10, 2020
(Award Contract)

RE: RFT 20-14 - 2020 Infrastructure Renewal Program - Contract #10
Egerton Street, Hamilton Road and Trafalgar Street
(Subledger WS20C010)
Capital Project ES241420 - Infrastructure Renewal Program - Sanitary Sewers
Capital Project ES254020 - Infrastructure Renewal Program - Stormwater Sewers & Treatment
Capital Project EW376520 - Infrastructure Renewal Program - Watermains
Capital Project TS1328 - Intersection - Hamilton - Egerton (Optimization)
Bre Ex Construction Inc. - \$4,644,111.78 (excluding H.S.T.)
Archibald, Gray and McKay Engineering Ltd. (AGM) - \$422,400.00 (excluding H.S.T.)

FINANCE & CORPORATE SERVICES REPORT ON THE SOURCES OF FINANCING:

Finance & Corporate Services 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 & Engineering Services & City Engineer, the detailed source of financing for this project is:

SUMMARY OF ESTIMATED EXPENDITURES	Approved Budget	Revised Budget	This Submission	Balance for Future Work
ES241420 - IRP-Sanitary Sewers				
Engineering	\$1,724,865	\$1,724,865	\$99,292	\$1,625,573
Construction	8,543,460	8,543,460	871,708	7,671,752
Construction (Bell) 2)		196,754	196,754	0
City Related Expenses	25,000	25,000		25,000
	<u>10,293,325</u>	<u>10,490,079</u>	<u>1,167,754</u>	<u>9,322,325</u>
ES254020 - IRP-Stormwater Sewers & Treatment				
Engineering	2,000,000	2,000,000	99,293	1,900,707
Construction	11,392,126	11,392,126	871,708	10,520,418
City Related Expenses	100,000	100,000		100,000
	<u>13,492,126</u>	<u>13,492,126</u>	<u>971,001</u>	<u>12,521,125</u>
EW376520 - IRP-Watermains				
Engineering	2,318,186	2,318,186	132,389	2,185,797
Construction	15,000,000	15,000,000	1,162,278	13,837,722
	<u>17,318,186</u>	<u>17,318,186</u>	<u>1,294,667</u>	<u>16,023,519</u>
TS1328-Intersection Hamilton-Egerton (Optimization)				
Engineering	98,862	98,862	98,862	0
Construction	1,619,938	1,619,938	1,619,938	0
	<u>1,718,800</u>	<u>1,718,800</u>	<u>1,718,800</u>	<u>0</u>
NET ESTIMATED EXPENDITURES	<u>\$42,822,437</u>	<u>\$43,019,191</u>	<u>\$5,152,222</u> 1)	<u>\$37,866,969</u>

SUMMARY OF FINANCING:

ES241420 - IRP-Sanitary Sewers				
Capital Sewer Rates	\$5,642,540	\$5,642,540		\$5,642,540
Federal Gas Tax	4,650,785	4,650,785	971,000	3,679,785
Other Contributions (Bell) 2)		196,754	196,754	0
	<u>10,293,325</u>	<u>10,490,079</u>	<u>1,167,754</u>	<u>9,322,325</u>
ES254020 - IRP-Stormwater Sewers & Treatment				
Capital Sewer Rates	2,277,960	2,277,960	971,001	1,306,959
Drawdown from Sewage Works Reserve Fund	11,214,166	11,214,166		11,214,166
	<u>13,492,126</u>	<u>13,492,126</u>	<u>971,001</u>	<u>12,521,125</u>
EW376520 - IRP-Watermains				
Capital Water Rates	10,753,000	10,753,000	1,294,667	9,458,333
Drawdown from Capital Water Reserve Fund	6,565,186	6,565,186		6,565,186
	<u>17,318,186</u>	<u>17,318,186</u>	<u>1,294,667</u>	<u>16,023,519</u>
TS1328-Intersection Hamilton-Egerton (Optimization)				
Debenture Quota 3)	214,850	214,850	214,850	0
Drawdown from City Services - Roads Reserve Fund (Development Charges) 4)	1,503,950	1,503,950	1,503,950	0
	<u>1,718,800</u>	<u>1,718,800</u>	<u>1,718,800</u>	<u>0</u>
TOTAL FINANCING	<u>\$42,822,437</u>	<u>\$43,019,191</u>	<u>\$5,152,222</u>	<u>\$37,866,969</u>

1) **Financial Note: (CONSTRUCTION)**

	ES241420	Bell ES241420	ES254020	EW376520
Contract Price	\$856,631	\$196,754	\$856,631	\$1,142,176
Add: HST @13%	111,362		111,362	148,483
Total Contract Price Including Taxes	967,993	196,754	967,993	1,290,659
Less: HST Rebate	96,285		96,285	128,381
Net Contract Price	<u>\$871,708</u>	<u>\$196,754</u>	<u>\$871,708</u>	<u>\$1,162,278</u>

Financial Note (CONSTRUCTION continued)

	TS1328	CONSTRUCTION TOTAL
Contract Price	\$1,591,920	\$4,644,112
Add: HST @13%	206,950	578,157
Total Contract Price Including Taxes	1,798,870	5,222,269
Less: HST Rebate	178,932	499,883
Net Contract Price	<u>\$1,619,938</u>	<u>\$4,722,386</u>

Financial Note: (ENGINEERING)

	ES241420	ES254020	EW376520	TS1328
Contract Price	\$97,574	\$97,575	\$130,099	\$97,152
Add: HST @13%	12,685	12,685	16,913	12,630
Total Contract Price Including Taxes	110,259	110,260	147,012	109,782
Less: HST Rebate	10,967	10,967	14,623	10,920
Net Contract Price	<u>\$99,292</u>	<u>\$99,293</u>	<u>\$132,389</u>	<u>\$98,862</u>

APPENDIX 'A'

#20024

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March 10, 2020
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<u>Financial Note (ENGINEERING continued)</u>	ENGINEERING TOTAL
Contract Price	<u>\$422,400</u>
Add: HST @13%	54,913
Total Contract Price Including Taxes	<u>477,313</u>
Less: HST Rebate	47,477
Net Contract Price	<u>\$429,836</u>
 TOTAL CONSTRUCTION & ENGINEERING	 <u><u>\$5,152,222</u></u>

2) Bell Canada has confirmed the approval of their contribution towards this project. The expenditures have increased to accommodate their contribution.

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

An authorizing by-law should be drafted to secure debenture financing for project TS1328 - Intersection - Hamilton - Egerton (Optimization) for the net amount to be debentured of \$214,850.

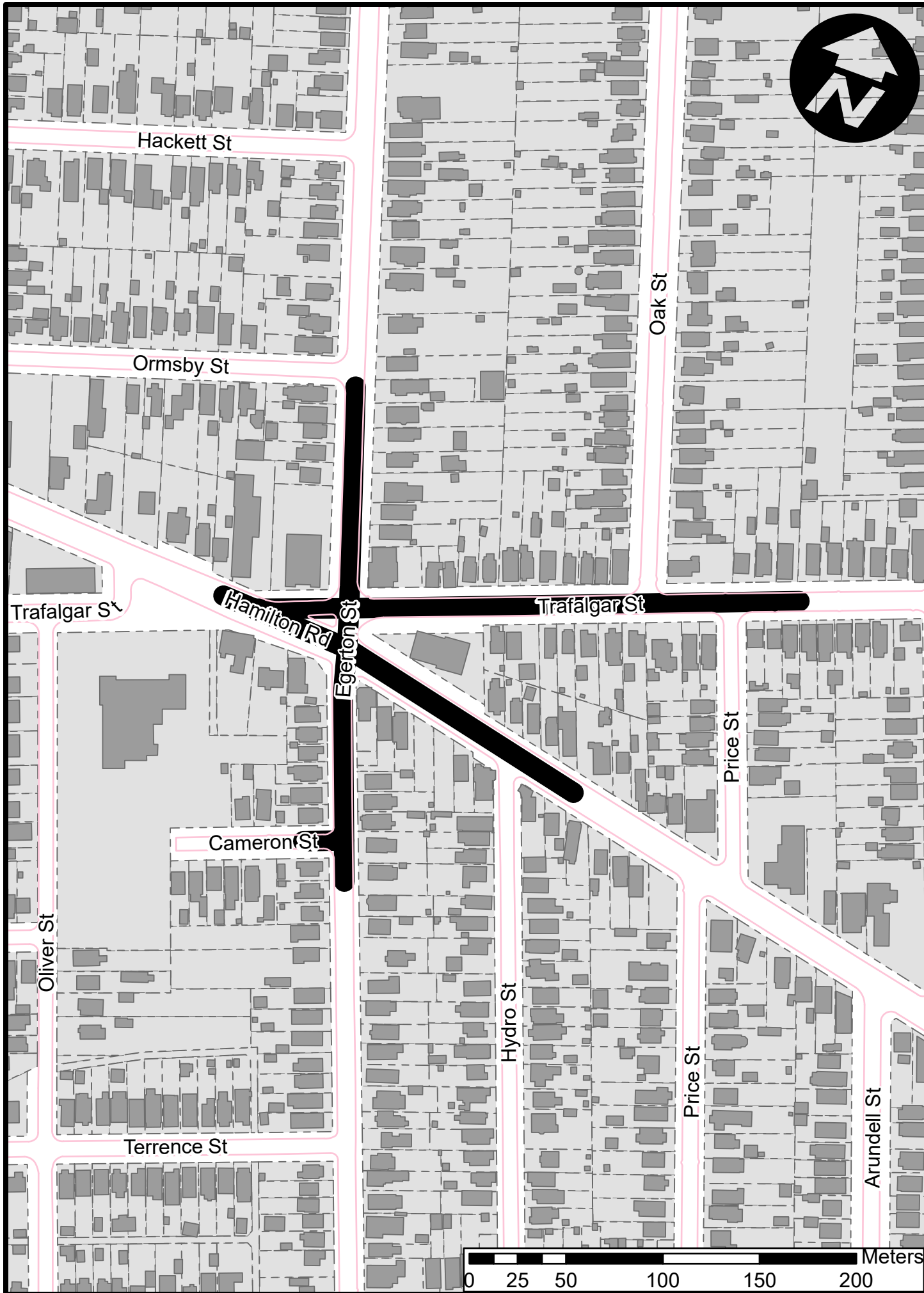
4) Development charges have been utilized in accordance with the underlying legislation and the Development Charges Background Studies completed in 2019.

5) Additional annual Transportation and Parks operating costs attributed to new infrastructure installation are as follows:
 Transportation Operations - \$6,134 and Parks Operations - \$9,000.

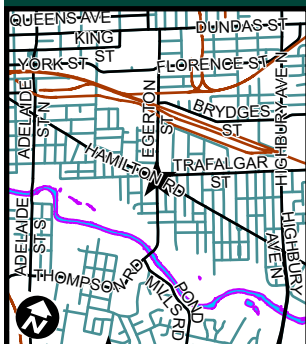
JG

 Jason Davies
 Manager of Financial Planning & Policy

APPENDIX 'B'



LOCATION MAP



2020 Infrastructure Renewal Project – Contract 10

Egerton Street from Ormsby Street to Cameron Street
 Trafalgar Street from Price Street to Hamilton Road
 Hamilton Road from Trafalgar St to Hydro Street

Legend:

 Phase 3 (2020)

Map Produced by the
 Sewer Engineering Division
 A.CORPODEAN

Jan 31, 2020

300 Dufferin Avenue,
 PO Box 5035
 London, Ontario
 N6A 4L9
www.London.ca

