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| TO: | CHAIR AND MEMBERS CIVIC WORKS COMMITTEE MEETING ON APRIL 15, 2020 |
| FROM: | KELLY SCHERR, P.ENG., MBA, FEC MANAGING DIRECTOR, ENVIRONMENTAL & ENGINEERING SERVICES AND CITY ENGINEER |
| SUBJECT: | CONTRACT AWARD: TENDER T20-06 WONDERLAND ROAD SANITARY SEWER EXTENSION |

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| RECOMMENDATION |
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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 Wonderland Road Sanitary Sewer Extension Project:

- (a) the bid submitted by J-AAR Excavating Limited (J-AAR) at its tendered price of \$7,169,225.18, excluding HST, for the Wonderland Road Sanitary Sewer Extension project, **BE ACCEPTED**; it being noted that the bid submitted by J-AAR Excavating Limited was the lowest of four bids received and meets the City's specifications and requirements in all areas;
- (b) AECOM Canada Ltd. (AECOM), **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 \$468,737.50, excluding HST, in accordance with Section 15.2 (g) of the City of London's Procurement of Goods and Services Policy;
- (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 20-06); and
- (g) the Mayor and City Clerk **BE AUTHORIZED** to execute any contract or other documents, if required, to give effect to these recommendations.

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| PREVIOUS REPORTS PERTINENT TO THIS MATTER |
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- 2019-07-23 Appointment of Consulting Engineer, Wonderland Road Sanitary Sewer Extension Project
- 2018-04-17 Contract Award: Tender 18-08, 2018 Growth Management Implementation Strategy (GMIS), Southwest Area Trunk Sanitary Sewer - Phase 3
- 2017-07-17 Appointment of Consulting Engineers, Growth Management Implementation Strategy Southwest Sanitary Servicing Projects
- 2016-04-12 Contract Award: Tender T16-13, Growth Management Implementation Strategy (GMIS) Campbell Street Improvements – Southwest Area Trunk Sanitary Sewer – Phase 2

- 2015-03-23 Contract Award: Tender T15-04, Growth Management Implementation Strategy (GMIS) Southwest Area Trunk Sanitary Sewer – Phase 1
- 2015-02-03 Southwest Area Trunk Sanitary Sewer Detailed Design Appointment of Consulting Engineer: Phase 2 – Campbell Street (Hamlyn Street to Lambeth Optimist Park)
- 2014-05-12 Southwest Area Trunk Sanitary Sewer Detailed Design: Appointment of Consulting Engineer: Phase 1 – Wonderland Road South (Dingman Drive to Wharncliffe Road South) & Hamlyn Street (Wonderland Road South to Campbell Street)
- 2014-02-03 Notice of Completion of the Southwest Area Sanitary Servicing Master Plan: Municipal Class Environmental Assessment for the Southland Wastewater Treatment Plant and Proposed Sanitary Servicing of the Southwest Area (ES5260)

2020-2023 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.

BACKGROUND

Purpose

The report recommends the award of tender to a contractor and continuation of consulting services for the construction of the Wonderland Road Sanitary Sewer Extension Project (Appendix B – Location Map). This project was approved for construction in 2020 by Council in the 2019 Development Charges Study. A project map is included as Appendix 'B' – Location Map.

Context

The Wonderland Sanitary Sewer Extension Project is a continuation of work completed under Phase 1, Phase 2, and Phase 3 of the Southwest Area Trunk Sanitary Sewer projects. This project will establish an important municipal sanitary sewer link for Wonderland Road South and open development opportunities in the area. Awarding this contract and consulting fees will enhance or provide sanitary servicing for approximately 72 hectares (178 acres) of mixed residential, commercial, and industrial development.

Approximately 1,050m of sanitary sewer, 760m of storm sewer, and 600m of watermain will be installed as part of this project. Improved surface works such as bike lanes, sidewalks, improved streetlighting, and new roadway asphalt throughout will also be constructed.

DISCUSSION

Construction is scheduled to begin in May 2020 and will take the remaining construction season to complete the works. Construction activities will progress from the intersection of Wonderland Road South and Wharncliffe Road South and proceed north on Wonderland Road South, terminating at Bradley Avenue.

The project will take advantage of the lower traffic summer months and utilize project staging to avoid intersection closures and eliminate the need for road closures. A minimum of two lanes of traffic will be maintained at all times throughout the duration of this project. Staff will continue to keep businesses in the area apprised of activities that will have impact on property access. The contractor and the City's contract administration consultant will strive to maintain access to local businesses.

The project, once complete, will provide the opportunity for properties on private systems to connect to the municipal sanitary system. Sanitary frontage charges consistent with City By-Laws will apply if a property owner chooses to connect to the municipal sanitary sewer system. Further, new services throughout will allow new development to proceed in accordance with all City standards.

Tender Summary

Four (4) contractors submitted tenders on the project with the tender prices listed below (excluding H.S.T.). Tenders for this project were opened on Friday March 6, 2020.

| Contractor | | Tender Price Submitted | Corrected Tender Price |
|-------------------|------------------------------|-------------------------------|-------------------------------|
| 1. | J-AAR Excavation Ltd. | \$ 7,169,225.18 | \$ 7,169,225.11 |
| 2. | Bre-Ex Construction Inc. | \$ 7,984,105.50 | \$ 7,984,105.51 |
| 3. | L-82 Construction Ltd. | \$ 8,200,000.00 | \$ 8,199,999.98 |
| 4. | 291 Construction Ltd. | \$ 8,895,724.62 | - |

All tenders have been checked and clerical errors have been corrected. Each contractor's qualifications have been reviewed by the Environmental and Engineering Services Area and the City's Consultant, AECOM.

The tender estimate prior to tender opening was \$ 8,348,358.90 excluding H.S.T. J-AAR's low bid submission is competitive and is approximately \$1,180,000 below the pre-tender estimate. All tenders shown above include a contingency allowance of \$750,000.00, excluding H.S.T.

Consulting Fees

AECOM has shown their competency and expertise with infrastructure projects of this scope and magnitude and have provided good performance in the past on City projects. City staff continue to foster a collaborative working relationship that focuses on achieving the lowest lifecycle cost and highest service performance for municipal infrastructure.

In accordance with Section 15.2(g) of the Procurement of Goods and Services Policy, Civic Administration is recommending that AECOM be authorized to carry out the construction administration for this project. AECOM has satisfactorily completed the detailed design and construction administration for completed Phases 1, 2, and 3 Southwest Trunk Sanitary Sewer projects and is recommended for award of the balance of the work having satisfied all financial, reporting, and other conditions required of the

policy. It is to the financial advantage of the City due to the fact that this consultant has specific knowledge of the project area and have undertaken work for which duplication would be required if another firm were to be selected.

In addition, staff have reviewed the fee submissions in detail considering the hourly rates provided by each staff member. Staff have confirmed that hourly rates are consistent with those submitted through competitive processes. Staff also reviewed the time allocated to each project related task. Staff can confirm that the amount of time allocated to each project task is consistent with prior projects of similar nature that have been awarded through a competitive process. In general, the assignment is found to be reasonable and in line with those that would be expected through a competitive process.

Financial Impact

Contract costs are under budget and are less than the cost estimate in the 2019 Development Charges - One Water Master Plan.

Future additional annual operating costs of \$1,700 are anticipated as a result of this project, noting that these costs are attributed to new infrastructure and can be accommodated within future City operating budgets.

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| CONCLUSION |
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Staff recommend that the construction contract be awarded to J-AAR Excavating Ltd. to achieve project objectives. It is further recommended that AECOM undertake the contract administration and inspection services during construction as it is in the best technical and financial interest of the City.

| | |
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| SUBMITTED BY: | REVIEWED & CONCURRED BY: |
| | |
| ASHLEY 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' – Location Map

cc: John Freeman Gary McDonald Doug MacRae
 Ugo DeCandido Chris Ginty J-AAR Excavating Ltd.
 AECOM Canada Ltd.

APPENDIX 'A'

Chair and Members
Civic Works Committee

#20055
April 15, 2020
(Award Contract)

RE: Contract Award: Tender T20-06
Wonderland Road Sanitary Sewer Extension
 (Subledger WW190011)
Capital Project ES514819 2019-2023 Wastewater Servicing Strategic Links
Capital Project TS144620 - Road Networks Improvements (Main)
Capital Project TS512319 - Streetlight Mtce
Capital Project ES2486 - Wonderland Road Ditch Remediation
Capital Project EW376520 - IRP - Watermain
J-AAR Excavating Limited - \$7,169,225.18 (excluding H.S.T.)
AECOM Canada Ltd. - \$468,737.50 (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:

| | <u>Approved Budget</u> | <u>Revised Budget</u> | <u>Committed to Date</u> | <u>This Submission</u> | <u>Balance for Future Work</u> |
|--|----------------------------|----------------------------|------------------------------|------------------------------|------------------------------------|
| <u>SUMMARY OF ESTIMATED EXPENDITURES</u> | | | | | |
| <u>ES514819 2019-2023 Wastewater Servicing Strategic Links</u> | | | | | |
| Consulting | 60,000 | 332,547 | 8,992 | 323,555 | 0 |
| Construction | 6,672,697 | 6,400,150 | 2,536 | 4,183,261 | 2,214,353 |
| Construction (LTC) 3) | | 5,991 | | 5,991 | 0 |
| Construction (Casino) 3) | | 145,499 | | 145,499 | 0 |
| Construction (Start.ca) 3) | | 12,104 | | 12,104 | 0 |
| | <u>6,732,697</u> | <u>6,896,291</u> | <u>11,528</u> | <u>4,670,410</u> | <u>2,214,353</u> |
| <u>TS144620 - Road Networks Improvements (Main)</u> | | | | | |
| Engineering | 1,000,000 | 1,000,000 | 136,845 | 74,710 | 788,445 |
| Construction | 11,196,200 | 11,196,200 | 1,373,152 | 1,142,666 | 8,680,382 |
| | <u>12,196,200</u> | <u>12,196,200</u> | <u>1,509,997</u> | <u>1,217,376</u> | <u>9,468,827</u> |
| <u>TS512319 - Streetlight Mtce</u> | | | | | |
| Engineering | 300,000 | 300,000 | 64,453 | 10,388 | 225,159 |
| Construction | 2,385,907 | 2,385,907 | 682,886 | 158,879 | 1,544,142 |
| | <u>2,685,907</u> | <u>2,685,907</u> | <u>747,339</u> | <u>169,267</u> | <u>1,769,301</u> |
| <u>ES2486 - Wonderland Road Ditch Remediation</u> | | | | | |
| Engineering | 340,673 | 394,117 | 325,781 | 68,336 | 0 |
| Land Acquisition | 570,000 | 312,089 | | | 312,089 |
| Construction | 849,355 | 1,053,822 | 8,650 | 1,045,172 | 0 |
| City Related Expenses | 10,000 | 10,000 | 2,056 | | 7,944 |
| | <u>1,770,028</u> | <u>1,770,028</u> | <u>336,487</u> | <u>1,113,508</u> | <u>320,033</u> |
| <u>EW376520 - IRP - Watermain</u> | | | | | |
| Engineering | 2,318,186 | 2,318,186 | 953,805 | | 1,364,381 |
| Construction | 15,000,000 | 15,000,000 | 9,877,105 | 598,952 | 4,523,943 |
| | <u>17,318,186</u> | <u>17,318,186</u> | <u>10,830,910</u> | <u>598,952</u> | <u>5,888,324</u> |
| NET ESTIMATED EXPENDITURES | <u>\$40,703,018</u> | <u>\$40,866,612</u> | <u>\$13,436,261</u> | <u>\$7,769,513</u> 1) | <u>\$19,660,838</u> |
| <u>SUMMARY OF FINANCING:</u> | | | | | |
| <u>ES514819 2019-2023 Wastewater Servicing Strategic Links</u> | | | | | |
| Drawdown from Sewage Works R.F. | 673,270 | 673,270 | 1,153 | 450,682 | 221,435 |
| Drawdown from City Services - Wastewater R.F. (Development Charges) 2) | 6,059,427 | 6,059,427 | 10,375 | 4,056,134 | 1,992,918 |
| Other Contributions (LTC) 3) | | 5,991 | | 5,991 | 0 |
| Other Contributions (Casino) 3) | | 145,499 | | 145,499 | 0 |
| Other Contributions (Start.ca) 3) | | 12,104 | | 12,104 | 0 |
| | <u>6,732,697</u> | <u>6,896,291</u> | <u>11,528</u> | <u>4,670,410</u> | <u>2,214,353</u> |
| <u>TS144620 - Road Networks Improvements (Main)</u> | | | | | |
| Capital Levy | 22,107 | 22,107 | 22,107 | | 0 |
| Debt Quota | 1,582,505 | 1,582,505 | | | 1,582,505 |
| Drawdown from Capital Infrastructure Gap R.F. | 1,679,160 | 1,679,160 | | | 1,679,160 |
| Federal Gas Tax | 8,912,428 | 8,912,428 | 1,487,890 | 1,217,376 | 6,207,162 |
| | <u>12,196,200</u> | <u>12,196,200</u> | <u>1,509,997</u> | <u>1,217,376</u> | <u>9,468,827</u> |
| <u>TS512319 - Streetlight Mtce</u> | | | | | |
| Capital Levy | 2,585,462 | 2,585,462 | 747,339 | 169,267 | 1,668,856 |
| Drawdown from Capital Infrastructure Gap R.F. | 100,445 | 100,445 | | | 100,445 |
| | <u>2,685,907</u> | <u>2,685,907</u> | <u>747,339</u> | <u>169,267</u> | <u>1,769,301</u> |
| <u>ES2486 - Wonderland Road Ditch Remediation</u> | | | | | |
| Drawdown from Sewage Works R.F. | 1,770,028 | 1,770,028 | 336,487 | 1,113,508 | 320,033 |
| <u>EW376520 - IRP - Watermain</u> | | | | | |
| Capital Water Rates | 10,753,000 | 10,753,000 | 10,753,000 | | 0 |
| Drawdown from Capital Water R.F. | 6,565,186 | 6,565,186 | 77,910 | 598,952 | 5,888,324 |
| | <u>17,318,186</u> | <u>17,318,186</u> | <u>10,830,910</u> | <u>598,952</u> | <u>5,888,324</u> |
| TOTAL FINANCING | <u>\$40,703,018</u> | <u>\$40,866,612</u> | <u>\$13,436,261</u> | <u>\$7,769,513</u> | <u>\$19,660,838</u> |

APPENDIX 'A'

Chair and Members
Civic Works Committee

#20055
April 15, 2020
(Award Contract)

RE: Contract Award: Tender T20-06
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AECOM Canada Ltd. - \$468,737.50 (excluding H.S.T.)

| 1) FINANCIAL NOTE: | ENGINEERING | | | | |
|--------------------------------------|--------------------|-----------------|-----------------|-----------------|------------------|
| | ES514819 | TS144620 | TS512319 | ES2486 | Total |
| Contract Price | \$317,958 | \$73,418 | \$10,208 | \$67,154 | \$468,738 |
| Add: HST @13% | 41,335 | 9,544 | 1,327 | 8,730 | 60,936 |
| Total Contract Price Including Taxes | 359,293 | 82,962 | 11,535 | 75,884 | 529,674 |
| Less: HST Rebate | 35,738 | 8,252 | 1,147 | 7,548 | 52,685 |
| Net Contract Price | <u>\$323,555</u> | <u>\$74,710</u> | <u>\$10,388</u> | <u>\$68,336</u> | <u>\$476,989</u> |

| | CONSTRUCTION | | | | |
|--------------------------------------|---------------------|-----------------------|--------------------------|----------------------------|--------------------|
| | ES514819 | ES514819 - LTC | ES514819 - Casino | ES514819 - Start.ca | TS144620 |
| Contract Price | \$4,110,909 | \$5,991 | \$145,499 | \$12,104 | \$1,122,903 |
| Add: HST @13% | 534,418 | | | | 145,977 |
| Total Contract Price Including Taxes | 4,645,327 | 5,991 | 145,499 | 12,104 | 1,268,880 |
| Less: HST Rebate | 462,066 | | | | 126,214 |
| Net Contract Price | <u>\$4,183,261</u> | <u>\$5,991</u> | <u>\$145,499</u> | <u>\$12,104</u> | <u>\$1,142,666</u> |

| | TS512319 | ES2486 | EW376519 | Total |
|--------------------------------------|------------------|--------------------|------------------|--------------------|
| Contract Price | \$156,131 | \$1,027,095 | \$588,593 | \$7,169,225 |
| Add: HST @13% | 20,297 | 133,522 | 76,517 | 910,731 |
| Total Contract Price Including Taxes | 176,428 | 1,160,617 | 665,110 | 8,079,956 |
| Less: HST Rebate | 17,549 | 115,445 | 66,158 | 787,432 |
| Net Contract Price | <u>\$158,879</u> | <u>\$1,045,172</u> | <u>\$598,952</u> | <u>\$7,292,524</u> |

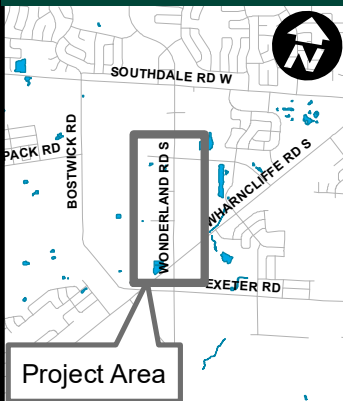
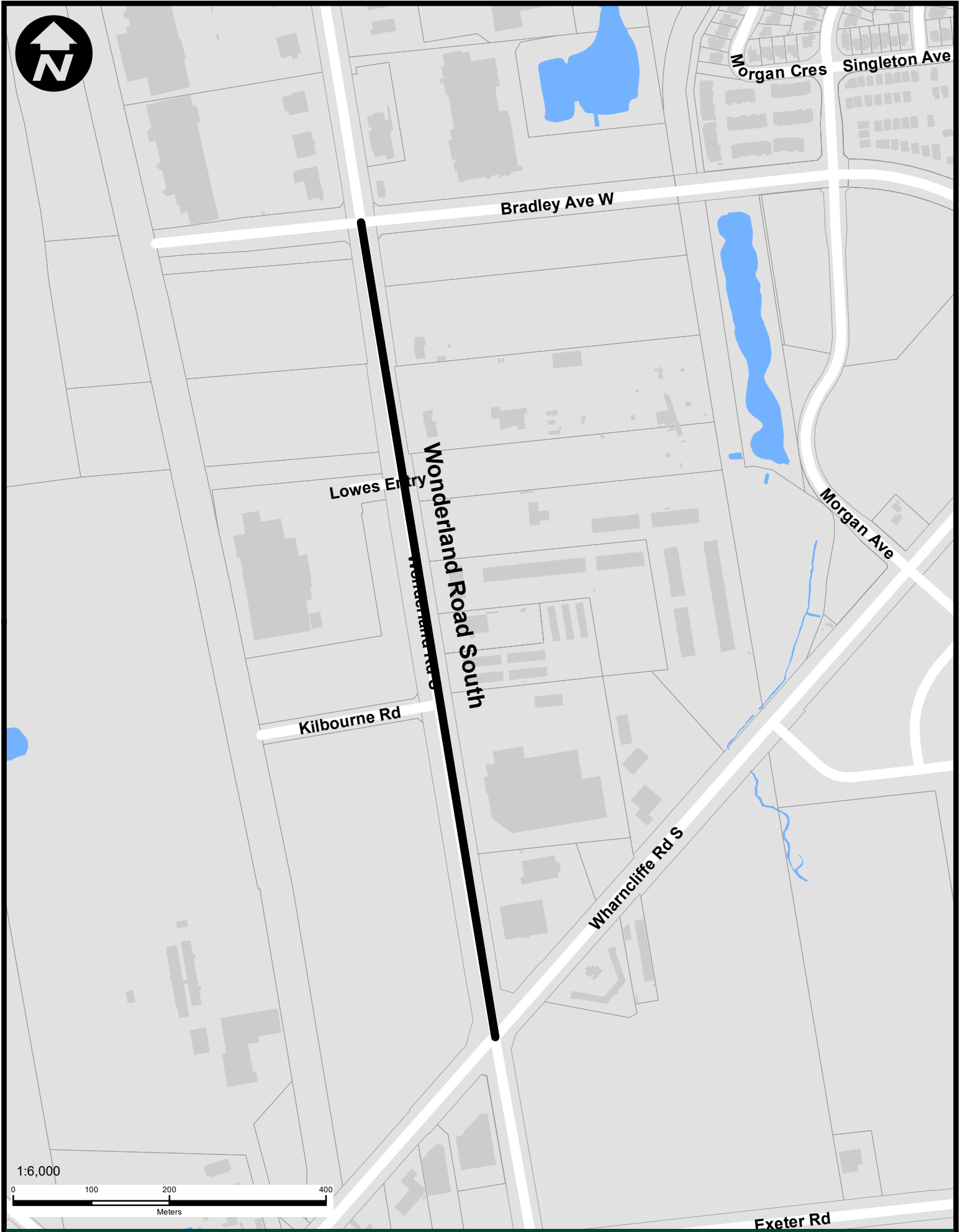
TOTAL ENGINEERING & CONSTRUCTION \$7,769,513

- 2) Development Charges have been utilized in accordance with the underlying legislation and the Development Charges Background Studies completed in 2019.
- 3) LTC, Casino and Start.ca have confirmed the approval of their contributions towards this project. The expenditures have increased to accommodate their contribution.
- 4) Additional annual operating costs attributed to new infrastructure of \$1,700.

lp

Jason Davies
Manager of Financial Planning & Policy

APPENDIX 'B'



Wonderland Sanitary Sewer Extension

Wonderland Road South from Bradley Ave West to Wharncliffe Road South

 Project Area

Map Produced by
the Wastewater &
Drainage Engineering
Division

June 10 2019 CM



London
CANADA

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