

<b>TO:</b>	<b>CHAIR AND MEMBERS CIVIC WORKS COMMITTEE MEETING ON APRIL 15, 2020</b>
<b>FROM:</b>	<b>KELLY SCHERR, P. ENG., MBA, FEC MANAGING DIRECTOR, ENVIRONMENTAL &amp; ENGINEERING SERVICES &amp; CITY ENGINEER</b>
<b>SUBJECT:</b>	<b>CONTRACT AWARD: RFT20-31 2020 INFRASTRUCTURE RENEWAL PROGRAM CONTRACT 7 - DEVONSHIRE PHASE 2</b>

<b>RECOMMENDATION</b>
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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 2020 Infrastructure Renewal Program Contract 7 - Devonshire Phase 2:

- (a) the bid submitted by L82 Construction Ltd at its tendered price of \$3,178,854.47, excluding HST, for the 2020 Infrastructure Renewal Program, Contract 7 - Devonshire Phase 2 project, **BE ACCEPTED**; it being noted that the bid submitted by L82 Construction Ltd was the lowest of six bids received and meets the City's specifications and requirements in all areas;
- (b) Archibald Gray & McKay Engineering Ltd, **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 \$275,974.00, 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 20-31); 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 – June 19, 2018 - Agenda Item # 2.8 a) (iv) - Appointment of Consulting Engineer - Infrastructure Renewal Program

## 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.
  - Improve the quality of pedestrian environments to support healthy and active lifestyles.

## BACKGROUND

### Purpose

This report recommends award of tender to L82 Construction Ltd, and continuation of consulting services to Archibald Gray & McKay Engineering Ltd for the reconstruction of:

- Devonshire Avenue from Cathcart Street to Wortley Road;
- Murray Street from Iroquois Avenue to Dunkirk Place; and
- Dunkirk Place.

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

### Context

Devonshire Avenue and Murray Street have each been identified as a high priority in the infrastructure renewal program due to the undersized storm sewer as well as the storm sewer, sanitary sewer and watermain systems being at the end of their life. This project is the second of two phases on Devonshire Avenue.

## DISCUSSION

### Project Description

The 2020 Infrastructure Renewal Project Contract 7 - Devonshire Phase 2 includes the following improvements:

- installation of sanitary sewers and private drain connections where applicable;
- installation of storm sewers and private drain connections where applicable;
- installation of watermain and individual water services to property line where applicable;
- installation of low impact development (LID) features on Devonshire Avenue and Murray Street;
- full road reconstruction including new asphalt, curb and gutter, and sidewalk;
- new sidewalk on the east side of Murray Street;
- new curb and gutter on Murray Street and Dunkirk Place; and
- convert the road access from Dunkirk Place to Wortley Road to a pedestrian only access.

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 4, 2019 for all owners and residents within and immediately bordering the project area to address questions and concerns. It was well attended by the area residents.

### **Service Replacement**

In conjunction with the construction of this project, the City is replacing existing sewer private drain connections (PDCs) to approximately two metres back of curb, where applicable, to help minimize future excavations and 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**

The tenders for the 2020 Infrastructure Renewal Program Contract 7 - Devonshire Phase 2 Project closed on March 12, 2020. Six contractors submitted tender prices as listed below, excluding HST.

<b>CONTRACTOR</b>		<b>TENDER PRICE SUBMITTED</b>
1.	L-82 Construction Limited	\$3,178,854.47
2.	CH Excavating (2013)	\$3,349,531.51
3.	Bre-Ex Construction Incorporated	\$3,399,240.08
4.	J-AAR Excavating Limited	\$3,420,928.35
5.	Omega Contractors Incorporated	\$3,592,333.06
6.	291 Construction Ltd	\$3,745,041.60

All tenders have been checked by the Environmental and Engineering Services Department and Archibald Gray & McKay Engineering Ltd. No mathematical errors were found. The results of the tendering process indicate a competitive process. The tender estimate prior to tender opening was \$3,252,760.70, excluding HST. All tenders include a contingency allowance of \$250,000.

### **Consulting Services**

Archibald Gray & McKay Engineering Ltd was awarded the detailed design of the Devonshire Phase 1 and Phase 2, and engineering supervision fees for Devonshire Phase 1 project by Council on June 26, 2018. Due to the consultant's knowledge and positive performance on the detailed design, the consultant was invited to submit a proposal to carry out the contract administration and resident supervision for this project. Archibald Gray & McKay Engineering Ltd submitted a proposal which included an upset limit of \$275,974.00. This proposal contains a 10% contingency. Staff have reviewed the fee submission, including 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 was consistent with other Infrastructure Renewal Program assignments of similar scope. The continued use of Archibald Gray & McKay Engineering Ltd on this project for construction administration is of financial advantage to the City because the firm 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, civic administration is recommending that Archibald Gray & McKay Engineering Ltd be authorized to carry out the remainder of engineering services, as construction administrators, and complete this project for a fee estimate of \$275,974.00, excluding HST. These fees are associated with the construction contract administration and resident supervision services to ensure that the City receives the product specified and associated value. The approval of this work will bring the total engineering services for this project to \$954,010.00, excluding HST, between 2018, 2019 and 2020.

### **Operating Budget Impacts**

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

<b>DIVISION</b>	<b>RATIONALE</b>	<b>ANNUAL OPERATIONAL COST INCREASE</b>
Sewer Operations	Additional 12 catch basins.	\$300
Water Operations	Additional valve and hydrants.	\$525
Transportation Operations	Additional 195m of new sidewalk on Murray Street.	\$330
<b>Total</b>		<b>\$1,155</b>

## **CONCLUSIONS**

Civic Administration has reviewed the tender bids and recommends L82 Construction Ltd be awarded the construction contact for the 2020 Infrastructure Renewal Program Contract 7 - Devonshire Phase 2 Project.

Archibald Gray & McKay Engineering Ltd has demonstrated an understanding of the City’s requirements for this project, and it is recommended that this firm continue as the consulting engineer for the purpose of contract administration and resident supervision services, as it is in the best financial and technical interests of the City.

<b>SUBMITTED BY:</b>	<b>CONCURRED BY:</b>
<b>ASHLEY RAMMELOO, MMSc., P. ENG. DIVISION MANAGER SEWER ENGINEERING</b>	<b>SCOTT MATHERS, MPA, P. ENG. DIRECTOR, WATER AND WASTEWATER</b>
<b>RECOMMENDED BY:</b>	
<b>KELLY SCHERR, P.ENG., MBA, FEC MANAGING DIRECTOR, ENVIRONMENTAL &amp; ENGINEERING SERVICES &amp; CITY ENGINEER</b>	

KJC/cm

Attach: Appendix 'A' – Sources of Financing  
Appendix 'B' – Location Map

c.c. John Freeman Gary McDonald  
Ugo DeCandido Chris Ginty  
Archibald Gray & McKay Engineering Ltd

Doug MacRae  
L82 Construction Ltd

**APPENDIX 'A'**

Chair and Members  
Civic Works Committee

#20053  
April 15, 2020  
(Award Contract)

**RE: Contract Award: RFT20-31 2020 Infrastructure Renewal Program**  
**Contract 7 - Devonshire Phase 2**  
**(Subledger WS20C005)**  
**Capital Project ES241420 - Sewer Infrastructure Lifecycle Renewal**  
**Capital Project ES254020 - IRP - Stormwater Sewers & Treatment**  
**Capital Project EW376520 - IRP - Watermain**  
**Capital Project TS301420 - Road Network Improvements**  
**L82 Construction Ltd. - \$3,178,854.47 (excluding H.S.T.)**  
**Archibald Gray & McKay Engineering Ltd. - \$275,974.00 (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:

<b><u>SUMMARY OF ESTIMATED EXPENDITURES</u></b>	<b><u>Approved Budget</u></b>	<b><u>Committed to Date</u></b>	<b><u>This Submission</u></b>	<b><u>Balance for Future Work</u></b>
<b><u>ES241420 - Sewer Infrastructure Lifecycle Renewal</u></b>				
Engineering	1,724,865	318,312	84,249	1,322,304
Engineering (Utilities Share)	68,176	68,176		0
Construction	8,543,460	3,718,444	794,083	4,030,933
Construction (Utilities Share)	1,257,613	1,257,613		0
City Related Expenses	25,000			25,000
	<u>11,619,114</u>	<u>5,362,545</u>	<u>878,332</u>	<u>5,378,237</u>
<b><u>ES254020 - IRP - Stormwater Sewers &amp; Treatment</u></b>				
Engineering	2,000,000	315,362	84,249	1,600,389
Construction	11,392,126	3,588,208	794,083	7,009,835
City Related Expenses	100,000			100,000
	<u>13,492,126</u>	<u>3,903,570</u>	<u>878,332</u>	<u>8,710,224</u>
<b><u>EW376520 - IRP - Watermain</u></b>				
Engineering	2,318,186	726,505	112,333	1,479,348
Construction	15,000,000	7,558,890	1,058,777	6,382,333
	<u>17,318,186</u>	<u>8,285,395</u>	<u>1,171,110</u>	<u>7,861,681</u>
<b><u>TS301420 - Road Network Improvements</u></b>				
Construction	9,323,315	2,912,143	587,859	5,823,313
<b>NET ESTIMATED EXPENDITURES</b>	<b><u>\$51,752,741</u></b>	<b><u>\$20,463,653</u></b>	<b><u>\$3,515,633</u></b>	<b><u>\$27,773,455</u></b>
	<b><u>Approved Budget</u></b>	<b><u>Committed to Date</u></b>	<b><u>This Submission</u></b>	<b><u>Balance for Future Work</u></b>
<b><u>SUMMARY OF FINANCING:</u></b>				
<b><u>ES241420 - Sewer Infrastructure Lifecycle Renewal</u></b>				
Capital Sewer Rates	5,642,540		264,303	5,378,237
Federal Gas Tax	4,650,785	4,036,756	614,029	0
Other Contributions (Utilities)	1,325,789	1,325,789		0
	<u>11,619,114</u>	<u>5,362,545</u>	<u>878,332</u>	<u>5,378,237</u>
<b><u>ES254020 - IRP - Stormwater Sewers &amp; Treatment</u></b>				
Capital Sewer Rates	2,277,960	2,277,960		0
Drawdown from Sewage Works R.F.	11,214,166	1,625,610	878,332	8,710,224
	<u>13,492,126</u>	<u>3,903,570</u>	<u>878,332</u>	<u>8,710,224</u>
<b><u>EW376520 - IRP - Watermain</u></b>				
Capital Water Rates	10,753,000	8,285,395	1,171,110	1,296,495
Drawdown from Capital Water R.F.	6,565,186			6,565,186
	<u>17,318,186</u>	<u>8,285,395</u>	<u>1,171,110</u>	<u>7,861,681</u>
<b><u>TS301420 - Road Network Improvements</u></b>				
Capital Levy	8,048,150	2,912,143	587,859	4,548,148
Drawdown from Capital Infrastructure Gap R.F.	1,275,165			1,275,165
	<u>9,323,315</u>	<u>2,912,143</u>	<u>587,859</u>	<u>5,823,313</u>
<b>TOTAL FINANCING</b>	<b><u>\$51,752,741</u></b>	<b><u>\$20,463,653</u></b>	<b><u>\$3,515,633</u></b>	<b><u>\$27,773,455</u></b>

**APPENDIX 'A'**

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Civic Works Committee

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		<b>ENGINEERING</b>			
1) <b>FINANCIAL NOTE:</b>	<b>ES241420</b>	<b>ES254020</b>	<b>EW376520</b>	<b>Total</b>	
Contract Price	\$82,792	\$82,792	\$110,390	\$275,974	
Add: HST @13%	10,763	10,763	14,351	35,877	
Total Contract Price Including Taxes	93,555	93,555	124,741	311,851	
Less: HST Rebate	9,306	9,306	12,408	31,020	
Net Contract Price	<u>\$84,249</u>	<u>\$84,249</u>	<u>\$112,333</u>	<u>\$280,831</u>	
		<b>CONSTRUCTION</b>			
	<b>ES241420</b>	<b>ES254020</b>	<b>EW376520</b>	<b>TS301420</b>	
Contract Price	\$780,349	\$780,349	\$1,040,465	\$577,691	
Add: HST @13%	101,445	101,445	135,260	75,100	
Total Contract Price Including Taxes	881,794	881,794	1,175,725	652,791	
Less: HST Rebate	87,711	87,711	116,948	64,932	
Net Contract Price	<u>\$794,083</u>	<u>\$794,083</u>	<u>\$1,058,777</u>	<u>\$587,859</u>	
				<b>Total</b>	
Contract Price				\$3,178,854	
Add: HST @13%				413,250	
Total Contract Price Including Taxes				3,592,104	
Less: HST Rebate				357,302	
Net Contract Price				<u>\$3,234,802</u>	
<b>TOTAL ENGINEERING &amp; CONSTRUCTION</b>				<u><b>\$3,515,633</b></u>	

2) Additional annual operating costs attributed to new infrastructure as follows: Sewer Operations - \$300, Water Operations - \$525, Transportation Operations - \$330

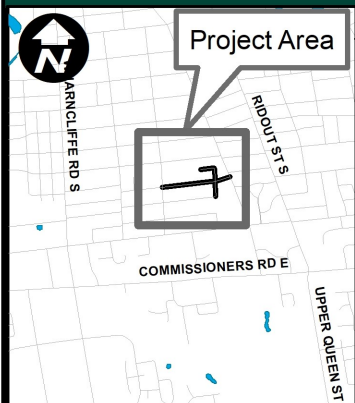
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Jason Davies  
Manager of Financial Planning & Policy

APPENDIX 'B'



LOCATION MAP



**2020 Infrastructure Renewal Program  
Contract 7 - Devonshire Phase 2**

Devonshire Avenue from Cathcart Street to Wortley Road  
Murray Street from Iroquois Avenue to Dunkirk Place  
Dunkirk Place from Murray Street to end

 Project Area

Map Produced by the  
Sewer Engineering  
Division

March 16 2020 CM



**London  
CANADA**

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