

<b>TO:</b>	<b>CHAIR AND MEMBERS CIVIC WORKS COMMITTEE MEETING ON JULY 14, 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: RFT 20-59 2020 INFRASTRUCTURE RENEWAL PROGRAM CONTRACT 12 – HIGHWAY AVENUE &amp; LAMBETH AVENUE</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 12 – Highway Avenue and Lambeth Avenue:

- (a) the bid submitted by 2044970 Ontario Inc (All Seasons Excavating) at its tendered price of \$3,292,000.00, excluding HST, for the 2020 Infrastructure Renewal Program, Contract 12 – Highway Avenue and Lambeth Avenue project, **BE ACCEPTED**; it being noted that the bid submitted by 2044970 Ontario Inc was the lowest of six bids received and meets the City's specifications and requirements in all areas;
- (b) Spriet Associates 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 \$292,545.00, 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 – July 17, 2017 - Agenda Item II.5 b) (iii) – Appointment of Consulting Engineers Infrastructure Renewal Program 2017-2019

## 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 2044970 Ontario Inc, and continuation of consulting services to Spriet Associates Ltd for the reconstruction of:

- Highway Aveune from Wharncliffe Road to Edward Street;
- Lambeth Aveune from Wharncliffe Road to Edward Street

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

### Context

Highway Avenue and Lambeth Avenue 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 will be split into two phases, Highway Avenue construction in 2020 and Lambeth Avenue construction in 2021 it being noted that both streets were tendered at the same time. Tendering of this project was delayed due to the COVID-19 virus pandemic.

## DISCUSSION

### Project Description

The 2020 Infrastructure Renewal Project Contract 12 – Highway Avenue and Lambeth Avenue includes the following improvements:

- replacement of sanitary sewers and private drain connections where applicable;
- replacement of storm sewers and private drain connections 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;

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 Capital Works Budgets.

## **Public Consultation**

A project update meeting was not held for this project due to the COVID-19 restrictions. In lieu of the meeting, a letter was sent to all residents informing them of project schedule, work being done, construction impacts, and contact information for the project team. The letter also directed residents to the project website [www.london.ca/HighwayIRP](http://www.london.ca/HighwayIRP) which contains more detailed information including the project drawings and tree report. Hard copies of materials were distributed upon request.

## **Tree Impacts**

Trees are an important asset to the City of London and best efforts are being made to maintain and protect trees as part of construction projects. All Infrastructure renewal projects require the design consultant to retain a Certified Arborist to analyze all trees on City Right-Of-Way within the project limits. It is the arborist's role to assess each tree, prepare a Tree Inspection Report, and assist in the creation of tree protection plans. These assessments include determining the health and structure of each tree and evaluating the impact of construction. A Tree Inspection Report is prepared for each project which provides recommendations for tree removal/retention, and special conditions for preservation. To ensure consistency, project staff work closely with Forestry Operations to manage tree impacts within the construction projects.

Evaluated trees are reviewed for health risk status based on the International Society of Arboriculture standards. During the evaluation process trees can be deemed unhealthy, have a poor structure, or have a limited remaining life span. The anticipated root damage during the excavation work is also considered. The risks associated with unsafe trees includes falling limbs, branches, and entire trees. All trees deemed not suitable to keep are removed as they are a hazard to both people and their property. Trees may also be removed if the tree's trunk or major root locations directly conflict with the installation of road, water, or sewer infrastructure.

Based on the arborist's assessment, a total of 14 trees are required to be removed on Highway Avenue. It should be noted that all of these trees are being removed due to health and construction impacts and that no alternative infrastructure design options are available to limit the loss of these trees. The bulk of the tree removals on Highway Avenue took place in June 2020. These removals included a total of 2 small trees and 10 large trees. There are 2 large trees temporarily retained due to the presence of nests. These 2 trees will be removed outside the bird nesting period or once clearance is received from a subsequent arborist nesting review. Removal of a total of 21 small trees and 17 large trees on Highway Avenue was not required. These trees will be protected as construction proceeds.

The arborist's assessment determined a total of 16 trees are required to be removed on Lambeth Avenue. It should be noted that all of these trees are being removed due to health and construction impacts and that no alternative infrastructure design options are available to limit the loss of these trees. Tree removals on Lambeth Avenue are scheduled for Winter/Spring 2021. These removals include a total of a total of 1 small tree and 15 large trees. Removal of a total of 23 small trees and 5 large trees on Lambeth Avenue was not required. These trees will be protected as construction proceeds.

Once notified by the construction team that the project is complete and all warranty items have been resolved, Forestry Operations will assess the street for planting at the next available opportunity (spring or fall). Residents adjacent to the proposed planting sites will be notified via letter. Residents do have the opportunity to refuse the tree if they do not want one replanted.

## **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. 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 12 – Highway Avenue and Lambeth Avenue Project closed on June 10, 2020. Six contractors submitted tender prices as listed below, excluding HST.

CONTRACTOR		TENDER PRICE SUBMITTED
1.	2044970 Ontario Inc	\$3,292,000.00
2.	Omega Contractors Incorporated	\$3,457,221.18
3.	CH Excavating (2013)	\$3,554,640.42
4.	Bre-Ex Construction Incorporated	\$3,824,988.29
5.	291 Construction Ltd	\$3,987,093.20
6.	J-AAR Excavating Limited	\$3,995,130.60

All tenders have been checked by the Environmental and Engineering Services Department and Spriet Associates (London) Ltd. No mathematical errors were found. The results of the tendering process indicate a competitive process. The tender estimate prior to tender opening was \$3,365,886.00, excluding HST. All tenders include a contingency allowance of \$250,000.

### Consulting Services

Spriet Associates Ltd. was awarded the detailed design of the Highway Avenue and Lambeth Avenue project by Council on July 25, 2017. The majority of the design fees were funded by the Clean Water and Wastewater Funding (CWWF). Due to the consultant’s knowledge and good 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. Spriet Associates Ltd. submitted a proposal which included an upset limit of \$292,545.00. 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 Spriet Associates 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 Spriet Associates Ltd. be authorized to carry out the remainder of engineering services, as construction administrators, and complete this project for a fee estimate of \$292,545.00, 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 \$550,165.00, excluding HST, between 2017 through 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>
Transportation Operations		\$0
Sewer Operations		\$0
Water Operations	Additional valves and hydrants	\$600
<b>Total</b>		<b>\$600</b>

**CONCLUSION**

Civic Administration has reviewed the tender bids and recommends 2044970 Ontario Inc be awarded the construction contact for Contract 12 – Highway Avenue and Lambeth Avenue.

Spriet Associates 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>AARON ROZENTALS, GDPA, P. ENG. DIVISION MANAGER WATER 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/DH

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

c.c. John Freeman  
Ugo DeCandido  
Spriet Associates

Gary McDonald  
Chris Ginty

Doug MacRae  
2044970 Ontario Inc

**APPENDIX 'A'**

Chair and Members  
Civic Works Committee

#20101  
July 14, 2020  
(Award Contract)

**RFT20-59 2020 Infrastructure Renewal Program - Contract 12-Highway Avenue & Lambeth Avenue  
(Subledger WS18C002)**

**Capital Project EW376519 - Water Infrastructure Renewal**

**Capital Project ES241420 - Infrastructure Renewal Program - Sanitary Sewer**

**Capital Project ES254020 - Infrastructure Renewal Program - Stormwater Sewers & Treatment**

**2044970 Ontario Inc (All Seasons Excavating) - \$3,292,000 (excluding H.S.T.)**

**Spriet Associates Ltd - \$292,545.00 (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, the detailed source of financing for this project is:

<b>SUMMARY OF ESTIMATED EXPENDITURES</b>	<b>Approved Budget</b>	<b>Committed to Date</b>	<b>This Submission</b>	<b>Balance for Future Work</b>
<b>EW376519 - Water Infrastructure Lifecycle Renewal</b>				
Engineering	1,900,000	1,662,077	119,077	118,846
Construction	10,393,082	7,267,665	1,339,976	1,785,441
City Related Expenses	536	536		0
	<u>12,293,618</u>	<u>8,930,278</u>	<u>1,459,053</u>	<u>1,904,287</u>
<b>ES241420 - IRP - Sanitary Sewers</b>				
Engineering	1,724,865	1,102,252	89,308	533,305
Engineering (Utilities Share)	68,176	68,176		0
Construction	8,543,460	5,457,105	1,004,982	2,081,373
Construction (Utilities Share)	1,257,613	1,257,613		0
City Related Expenses	25,000			25,000
	<u>11,619,114</u>	<u>7,885,146</u>	<u>1,094,290</u>	<u>2,639,678</u>
<b>ES254020 - IRP - Stormwater Sewers &amp; Treatment</b>				
Engineering	2,000,000	1,031,958	89,307	878,735
Construction	11,402,850	5,336,486	1,004,982	5,061,382
City Related Expenses	100,000			100,000
	<u>13,502,850</u>	<u>6,368,444</u>	<u>1,094,289</u>	<u>6,040,117</u>
<b>NET ESTIMATED EXPENDITURES</b>	<b><u>\$37,415,582</u></b>	<b><u>\$23,183,868</u></b> <sup>1)</sup>	<b><u>\$3,647,632</u></b>	<b><u>\$10,584,082</u></b>

**SUMMARY OF FINANCING:**

**EW376519 - Water Infrastructure Lifecycle Renewal**

Capital Water Rates	7,692,100	7,692,100	0	0
Drawdown from Capital Water Reserve Fund	4,040,518	677,178	1,459,053	1,904,287
Federal Gas Tax	561,000	561,000		0
	<u>12,293,618</u>	<u>8,930,278</u>	<u>1,459,053</u>	<u>1,904,287</u>

**ES241420 - IRP - Sanitary Sewers**

Capital Sewer Rates	5,642,540	1,908,572	1,094,290	2,639,678
Federal Gas Tax	4,650,785	4,650,785		0
Other Contributions (Utilities)	1,325,789	1,325,789		0
	<u>11,619,114</u>	<u>7,885,146</u>	<u>1,094,290</u>	<u>2,639,678</u>

**ES254020 - IRP - Stormwater Sewers & Treatment**

Capital Sewer Rates	2,277,960	2,277,960		0
Drawdown from Sewage Works Reserve Fund	11,214,166	4,079,760	1,094,289	6,040,117
Other Contributions	10,724	10,724		0
	<u>13,502,850</u>	<u>6,368,444</u>	<u>1,094,289</u>	<u>6,040,117</u>

**TOTAL FINANCING**

	<b><u>\$37,415,582</u></b>	<b><u>\$23,183,868</u></b>	<b><u>\$3,647,632</u></b>	<b><u>\$10,584,082</u></b>
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1) Financial Note (Engineering)

	<b>EW376519</b>	<b>ES241420</b>	<b>ES254020</b>	<b>Total</b>
Contract Price	\$117,018	\$87,764	\$87,763	\$292,545
Add: HST @13%	15,212	11,409	11,409	38,030
Total Contract Price Including Taxes	<u>132,230</u>	<u>99,173</u>	<u>99,172</u>	<u>330,575</u>
Less: HST Rebate	13,153	9,865	9,865	32,883
Net Contract Price	<u>\$119,077</u>	<u>\$89,308</u>	<u>\$89,307</u>	<u>\$297,692</u>

Financial Note (Construction)

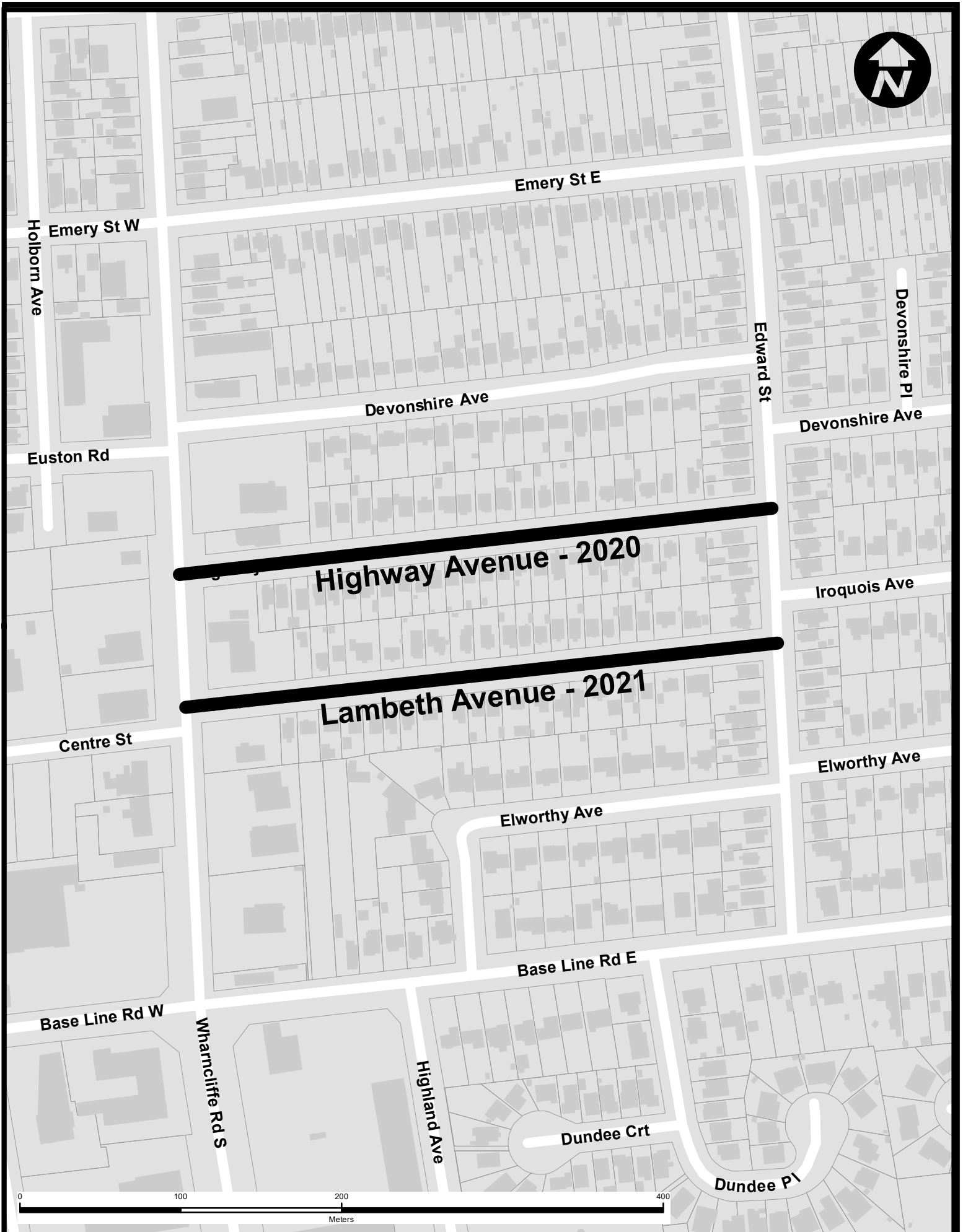
Contract Price	\$1,316,800	\$987,600	\$987,600	\$3,292,000
Add: HST @13%	171,184	128,388	128,388	427,960
Total Contract Price Including Taxes	<u>1,487,984</u>	<u>1,115,988</u>	<u>1,115,988</u>	<u>3,719,960</u>
Less: HST Rebate	148,008	111,006	111,006	370,020
Net Contract Price	<u>\$1,339,976</u>	<u>\$1,004,982</u>	<u>\$1,004,982</u>	<u>\$3,349,940</u>
Total by Project	<u>\$1,459,053</u>	<u>\$1,094,290</u>	<u>\$1,094,289</u>	<u>\$3,647,632</u>

2) There will be additional annual operating costs to Water Operations for \$600.

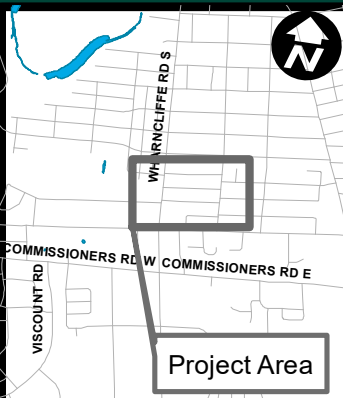
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Jason Davies  
Manager of Financial Planning & Policy

APPENDIX 'B'



LOCATION MAP



**2020/2021 Infrastructure Renewal Program  
Contract 12 - Highway Avenue &  
Lambeth Avenue**

2020 Construction  
Highway Avenue from Wharncliffe Road South to Edward Street

2021 Construction  
Lambeth Avenue from Wharncliffe Road South to Edward Street

 Project Area

Map Produced by  
the Wastewater &  
Drainage Engineering  
Division  
May 27 2020 CM



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