

TO:	CHAIR AND MEMBERS CIVIC WORKS COMMITTEE MEETING ON AUGUST 11, 2020
FROM:	KELLY SCHERR, P. ENG., MBA, FEC MANAGING DIRECTOR, ENVIRONMENTAL AND ENGINEERING SERVICES AND CITY ENGINEER
SUBJECT:	REQUEST FOR CONTRACT INCREASE DINGMAN CREEK PUMPING STATION FORCEMAIN INSTALLATION CONTRACT #2

RECOMMENDATION

That on the recommendation of the Managing Director, Environmental and Engineering Services and City Engineer, the following actions **BE TAKEN** with respect to Contract 2 for the Dingman Creek Pumping Station Forcemain construction project:

- (a) an increase of the contract price with Bre-Ex Construction Inc. by \$200,000.00, excluding HST, to a new total contract price of \$5,112,985.47, excluding HST, **BE APPROVED**;
- (b) the financing for these projects **BE APPROVED** as set out in the Sources of Financing Report attached, hereto, as Appendix 'A';
- (c) the Civic Administration **BE AUTHORIZED** to undertake all the administrative acts that are necessary in connection with this project; and
- (d) 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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Civic Works Committee, June 18, 2019, Item 2.3 – Contract Award: Tenders T19-48 and T19-49, Dingman Creek Pumping Station Forcemain Installation.

Civic Works Committee, July 17, 2018, Item 2.7 – Dingman Creek and Colonel Talbot Pumping Stations Budget Adjustments.

Civic Works Committee, May 15, 2018, Item 2.5 – Appointment of Consulting Engineer – Design and Construction Administration Services – Dingman Creek Pumping Station Upgrades.

Civic Works Committee, April 17, 2018, Item 2.6 – South London Wastewater Servicing Study Municipal Class Environmental Assessment: Notice of Completion.

Civic Works Committee, August 29, 2017 – Appointment of Consulting Engineer, Dingman Creek PS Municipal Class EA.

2019-2023 STRATEGIC PLAN

This project supports the 2019-2023 Strategic Plan through the following: Building a Sustainable City, Build infrastructure to support future development and protect the environment.

BACKGROUND

Purpose

The purpose of this report is to seek Council approval for an increase to the value of the construction contract with Bre-Ex Construction Inc. for the construction of the Dingman Creek Pumping Station forcemain.

Context

The contract with Bre-Ex Construction Inc. is the second of two contracts for the construction of the Dingman Creek Pumping Station forcemain. Unforeseen difficulties encountered during construction have led to increased costs over and above the contract's contingency. Additional funds are required to complete the remainder of the tendered contract work.

DISCUSSION

The construction of a new Dingman Creek Pumping Station was selected as the preferred means of providing servicing to the south and southwest of the City, including areas such as White Oaks, Pond Mills, and the industrial areas south of Highway 401. The new pumping station that would include preliminary treatment, septage receiving facilities and additional peak shaving capacity.

The first phase of the implementation of this solution consists of the construction of a new forcemain. Because of the length of the forcemain and in order to reduce overall construction time, the forcemain construction project was split into two separate contracts. The first tender was T19-48 and closed on May 3, 2019. The second tender, T19-49, was issued immediately after T19-48 and closed on May 14, 2019.

The contract resulting from Tender T19-49 was awarded to Bre-Ex Construction Inc. for a tendered contract price of \$4,912,985.47, excluding HST, and included a contingency of \$400,000.00.

Challenges have been encountered on this project that have incurred additional costs. The most significant impact has resulted from unexpected conflicts with existing utilities, including undocumented hydro, gas and water service locations within the existing Dingman Creek forcemain easement that were unknown at time of design and one instance of City infrastructure that was not in the expected location. Extra costs were also incurred in order to take advantage of opportunities for alignment of the new forcemain in areas that are advantageous for future servicing and avoid conflicts with future infrastructure and developments.

City staff, along with the City's Contract Administrator Stantec Consulting Ltd., have worked with Bre-Ex to mitigate the costs of these challenges and opportunities. However, as a result of the extra work involved the contingency has been exhausted and additional funds are required in order to complete the project.

Financial Considerations

Cost projections for the remainder of the work estimate that an increase of \$200,000.00, excluding HST, will enable the contract to be completed. This increases the total contract amount from \$4,912,985.47 to \$5,112,985.47, excluding HST, with no additional contingency.

There is budget available within the Dingman Creek Pumping Station capital budget to fund this increase. In addition, Contract #1, which was awarded to 291 Construction Ltd. under T19-48, was able to be completed under budget by an amount that more than offsets the additional funds required to complete the contract with Bre-Ex. As such, no

net negative impact to the capital budget is expected as a result of the construction of both parts of the new forcemain.

CONCLUSIONS

Bre-Ex Construction Inc. was awarded the construction contract for part two of the Dingman Creek Pumping Station forcemain installation. Challenges during construction have led to cost increases that require an increase of the approved contract price in order to complete construction. It is recommended that the contract be increased by \$200,000.00, excluding HST, to a final contract amount of \$5,112,985.47, excluding HST.

Acknowledgements

This report was prepared with the assistance of Kirby Oudekerk, P.Eng., of the Wastewater Treatment Operations Division.

SUBMITTED BY:	CONCURRED BY:
GEORDIE GAULD DIVISION MANAGER WASTEWATER TREATMENT OPERATIONS	SCOTT MATHERS, P. ENG. DIRECTOR, WATER AND WASTEWATER
RECOMMENDED BY:	
KELLY SCHERR, P.ENG., MBA, FEC MANAGING DIRECTOR, ENVIRONMENTAL AND ENGINEERING SERVICES AND CITY ENGINEER	

Attach: Appendix 'A' – Sources of Financing

- c.c. John Freeman
- Chris Ginty
- Geordie Gauld
- Alan Dunbar
- Jason Davies
- Bre-Ex Construction Inc.