

Agenda Item # Page #

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TO:	CHAIR AND MEMBERS CIVIC WORKS COMMITTEE MEETING ON MARCH 18, 2013
FROM:	JOHN BRAAM, P. Eng. MANAGING DIRECTOR, ENVIRONMENTAL & ENGINEERING SERVICES & CITY ENGINEER
SUBJECT:	CONTRACT AWARD: TENDER NO. T13-12 2013 GROWTH MANAGEMENT IMPLEMENTATION STRATEGY (GMIS) ROYAL YORK ROAD: HYDE PARK TRUNK SANITARY SEWER (PHASE 1B) AND ROAD RECONSTRUCTION PROJECT

RECOMMENDATION

That, on the recommendation of the Managing Director, Environmental & Engineering Services & City Engineer, the following actions **BE TAKEN** with respect to the award of contracts for the 2013 Growth Management Implementation Strategy (GMIS), Royal York Road: Hyde Park Trunk Sanitary and Road Reconstruction Project (ES2493, EW3550, TS3037-13, TS3014-13).

- (a) the bid submitted by L82 Construction Limited, 2070 Huron Street, Suite A, London, Ontario N5V 5A7 at its tendered price of \$2,550,794.03 (excluding H.S.T.), **BE ACCEPTED**; it being pointed out that the bid submitted by L82 was the lowest of four bids received and meets the City's specifications and requirements in all areas;
- (b) Delcan Corporation, 1069 Wellington Road South, Suite 214, London, ON, N6E 2H6 **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 \$230,285.00 (excluding H.S.T.), noting that this firm completed the engineering design, based upon the Fee Guideline for Professional Engineering Services, recommended by the Ontario Society of Professional Engineers; and in accordance with Section 15.2 (g) of the City of London's Procurement of Goods and Services Policy;
- (c) minor future additional annual operating costs of \$1,000.00 **BE RECOGNIZED** as a result of this project noting that these costs are as a result of new infrastructure installation and will be considered and accommodated within future Water & Wastewater operating budgets;
- (d) the financing for this project **BE APPROVED** as set out in the Sources of Financing Report attached hereto as Appendix "A";
- (e) the Civic Administration **BE AUTHORIZED** to undertake all the administrative acts that are necessary in connection with this project;
- (f) 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 13-12); and
- (g) 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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- May 2, 2011, Built and Natural Environment Committee: Oxford Street West Widening, Sanatorium Road to Hyde Park Road, TS1493 and Hyde Park Trunk Sanitary Sewer, ES2493 Appointment of Consulting Engineer.

Agenda Item #	Page #

BACKGROUND

Purpose:

This report recommends award of tender to a contractor and continuation of consulting services for the construction of the GMIS Hyde Park Trunk Sanitary Sewer (Phase 1B) and associated road reconstruction works on Royal York Road, from Oxford Street to Hyde Park Road.

Context:

The Sanitary Servicing Development Charges 2008 Update (AECOM, April 2009) and associated Growth Management Implementation Strategy (GMIS) identified the future Hyde Park Trunk Sanitary Sewer construction in two phases:

- HP7B, Phase 1 (2013): Oxford Street West, Sanatorium Road to Royal York Road, and Royal York Road, Oxford Street to Hyde Park Road
- HP7A, Phase 2 (2014): Hyde Park Road, Royal York Road to south of CP Rail

Due to the number of construction days required to complete Phase 1, it was further phased into Phase 1A & 1B, to allow for parallel construction by two contractors in 2013. Phase 1A extends the 925mm diameter trunk sanitary sewer on Oxford Street, from Sanatorium Road to Royal York Road, as part of the Oxford Street Widening project. Phase 1B will start at the same time as the Oxford Street project, starting with the construction of the 600-925mm diameter trunk sanitary sewer on Royal York Road, from Oxford Street to Hyde Park Road (Appendix B).

The Oxford Street Road Widening project is a separate tender for which the award will be included in the agenda of this Civic Works Committee. Completing Phase 1 in 2013 allows for continuation of the Phase 2 trunk sanitary sewer in coordination with the Hyde Park Road Widening, scheduled for 2014.

Phase 1B is scheduled to begin on May 1, 2013 and is to be completed by November 2013. During this time, Royal York will be closed to local traffic only. Construction will begin with the 600-900mm diameter trunk sanitary sewer on Royal York Road, from Oxford Street to Hyde Park Road. Since the sanitary sewers are being built in the existing road allowance, the project also involves removal and replacement of existing storm sewers, local sanitary sewers and local watermains, as well as road reconstruction on Royal York Road, including sidewalks, curb and gutter, and asphalt road that will be disturbed during construction.

Discussion:*Coordination*

Infrastructure replacement needs have been coordinated with Wastewater and Drainage Engineering, Water Engineering, Parks and Recreation and Construction Administration for efficient use of funds during construction. The Royal York Road portion will be partially funded by the Transportation Capital Works budget since the road is rated in poor condition.

Public Consultation

In conjunction with the construction of this Capital Works Project, the City is administering the Private Drain Connection (PDC) program which allows property owners within the projects limits an opportunity to voluntarily replace their PDC's at a subsidized cost under the authority of City By-laws. A public information session was held on October 24, 2012 specifically for all owners and residents within and immediately bordering the project area to address questions and concerns.

Agenda Item #	Page #

Tender Summary:

Tenders for this project were opened on Thursday, February 21, 2013. Four (4) contractors submitted tender prices as listed below (exclusive of H.S.T.).

CONTRACTOR		TENDER PRICE SUBMITTED	CORRECTED TENDER PRICE
1.	L-82 Construction Ltd.	\$2,550,794.03	--
2.	Bre-Ex Limited	\$2,725,855.86	--
3.	Amico Infrastructures (Oxford) Inc.	\$2,942,483.92	--
4.	Elgin Construction (2153592 Ontario Ltd)	\$3,075,735.05	--

All tenders have been checked by the Environmental and Engineering Services Department and the City's consultant, Delcan. There were no mathematical errors to alter the bid ranking.

The tender estimate just prior to tender opening was \$3,441,877.70 (excluding H.S.T.). The low tender is about 25% below the estimate indicating a continuing competitive environment and illustrates the benefit of tendering projects early in the construction season. All tenders include a contingency allowance of \$350,000.00 (excluding H.S.T.).

Minor future additional annual operating costs of less than \$1,000.00 are recognized as a result of this project noting that these costs are attributed to new infrastructure installation and will be considered and accommodated within future Wastewater & Treatment operating budgets.

Consulting Services:

Delcan was awarded the detailed design by Council in May 2011. As the next phase of the construction process in this project, Delcan was requested to submit a proposal to carry out the contract administration and resident supervision. In accordance with Section 15.2 (g) of the City of London's Procurement of Goods and Services Policy, the administration is recommending that Delcan be authorized to carry out the remainder of engineering services to complete this project for the provided fee estimate of \$230,285.00 (excluding H.S.T.), noting the upset amount for total engineering services for the project is \$388,785.00 (excluding H.S.T.) spread over 2011 – 2013.


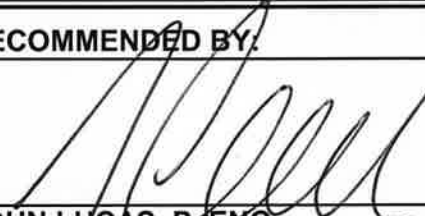

Conclusions:

Award of the construction contract to L82 Construction Ltd. will allow the project objectives to be met within the available budget. The use of Delcan for the remainder of engineering services for this project is in the best financial and technical interests of the City.

Agenda Item #	Page #

Acknowledgements:

This report was prepared within the Wastewater and Drainage Engineering Division by Shawna Milanovic, P.Eng., Environmental Services Engineer, and Jeff Conrad, CET, Technologist.

SUBMITTED BY:	RECOMMENDED BY:
	
TOM COPELAND, P. ENG. DIVISION MANAGER WASTEWATER AND DRAINAGE ENGINEERING	JOHN LUCAS, P. ENG. DIRECTOR, WATER AND WASTEWATER & TREATMENT
CONCURRED BY:	
	
JOHN BRAAM, P.ENG. MANAGING DIRECTOR, ENVIRONMENTAL & ENGINEERING SERVICES & CITY ENGINEER	

February 28, 2013

/scm

Attach: Appendix A – Sources of Financing
Appendix B – Hyde Park Trunk Sanitary Sewer Phasing

c.c. Roland Welker Rick Pedlow Justin Lawrence John Simon
L82 Construction Ltd. Delcan Corporation Geordie Gauld

Chair and Members
Civic Works Committee

March 8, 2013
(Award Contract)

RE: 2013 Growth Management Implementation Strategy (GMIS)
Royal York Road: Hyde Park Trunk Sanitary Sewer (Phase 1B) and Road Reconstruction Project
Capital Project ES2493 - Hyde Park Trunk Sanitary Sewer
Capital Project ES2414-13 - 2013 Sewer Replacement
Capital Project EW3550 - Royal York Watermain
Capital Project TS3014-13 - 2013 Road Rehab - Local & Rural
Capital Project TS3037-13 - 2013 Sidewalk Repair & Replacement
L82 Construction Limited - \$2,550,794.03 (excluding H.S.T.)
Delcan Corporation - \$230,285.00 (excluding H.S.T.)

FINANCE DEPARTMENT REPORT ON THE SOURCES OF FINANCING:

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

SUMMARY OF ESTIMATED EXPENDITURES	Approved Budgets	Revised Budget	Committed to Date	This Submission	Balance for Future Work
ES2493 - Hyde Park Trunk Sanitary Sewer					
Engineering	\$621,000	\$621,000	\$420,435	\$168,265	\$32,300
Construction	4,652,000	4,652,000	1,557,636	1,855,827	1,238,537
City Related Expenses	77,000	77,000			77,000
	<u>5,350,000</u>	<u>5,350,000</u>	<u>1,978,071</u>	<u>2,024,092</u>	<u>1,347,837</u>
ES2414-13 - 2013 Sewer Replacement					
Construction	10,322,000	10,322,000	1,510,399		8,811,601
Construction (PDC Portion)	16,000	24,000	16,000	8,000	0
	<u>10,338,000</u>	<u>10,346,000</u>	<u>1,526,399</u>	<u>8,000</u>	<u>8,811,601</u>
EW3550 - Royal York Watermain					
Engineering	80,000	80,000		40,342	39,658
Construction	700,000	700,000		446,849	253,151
	<u>780,000</u>	<u>780,000</u>	<u>0</u>	<u>487,191</u>	<u>292,809</u>
TS3014-13 - 2013 Road Rehab-Local & Rural					
Engineering	30,000	30,000		20,585	9,415
Construction	3,970,000	3,970,000	509,013	228,010	3,232,977
	<u>4,000,000</u>	<u>4,000,000</u>	<u>509,013</u>	<u>248,595</u>	<u>3,242,392</u>
TS3037-13 - 2013 Sidewalk Repair & Repl.					
Engineering	10,000	10,000		5,146	4,854
Construction	1,190,000	1,190,000		57,002	1,132,998
	<u>1,200,000</u>	<u>1,200,000</u>	<u>0</u>	<u>62,148</u>	<u>1,137,852</u>
NET ESTIMATED EXPENDITURES	\$21,668,000	\$21,676,000	\$4,013,483	\$2,830,026	\$14,832,491

SUMMARY OF FINANCING:

ES2493 - Hyde Park Trunk Sanitary Sewer					
Drawdown from Industrial Oversizing-Sewer R.F.	\$46,000	\$46,000	\$17,008	\$17,403	\$11,589
Drawdown from Sewage Works R.F.	749,000	749,000	276,930	283,373	188,697
Drawdown from City Services-Sewer R.F. (Development Charges)	4,555,000	4,555,000	1,684,133	1,723,316	1,147,551
	<u>5,350,000</u>	<u>5,350,000</u>	<u>1,978,071</u>	<u>2,024,092</u>	<u>1,347,837</u>
ES2414-13 - 2013 Sewer Replacement					
Capital Sewer Rates	430,000	430,000			430,000
Debenture Quota	121,000	121,000			121,000
Drawdown from Sewage Works Reserve Fund	7,021,000	7,021,000			7,021,000
Federal Gas Tax	2,750,000	2,750,000	1,510,399		1,239,601
Cash Recovery from Property Owners (PDC Portion)	16,000	24,000	16,000	8,000	0
	<u>10,338,000</u>	<u>10,346,000</u>	<u>1,526,399</u>	<u>8,000</u>	<u>8,811,601</u>
EW3550 - Royal York Watermain					
Drawdown from Capital Water Reserve Fund	780,000	780,000		487,191	292,809
					0
TS3014-13 - 2013 Road Rehab-Local & Rural					
Capital Levy	2,256,350	2,256,350	509,013	248,595	1,498,742
Debenture Quota	1,743,650	1,743,650			1,743,650
	<u>4,000,000</u>	<u>4,000,000</u>	<u>509,013</u>	<u>248,595</u>	<u>3,242,392</u>
TS3037-13 - 2013 Sidewalk Repair & Repl.					
Capital Levy	1,200,000	1,200,000		62,148	1,137,852
TOTAL FINANCING	\$21,668,000	\$21,676,000	\$4,013,483	\$2,830,026	\$14,832,491

1) **FINANCIAL NOTE:**

	ES2414-13/ ES2493	EW3550	TS3014-13	TS3037-13	Total Construction
Contract Price - Construction	\$1,831,591	\$439,120	\$224,066	\$56,017	\$2,550,794
Add: HST @13%	238,107	57,086	29,129	7,282	331,604
Total Contract Price Including Taxes	2,069,698	496,206	253,195	63,299	2,882,398
Less: HST Rebate	205,871	49,357	25,185	6,297	286,710
Net Contract Price	<u>\$1,863,827</u>	<u>\$446,849</u>	<u>\$228,010</u>	<u>\$57,002</u>	<u>\$2,595,688</u>
	ES2493	EW3550	TS3014-13	TS3037-13	Total Engineering
Contract Price - Engineering	\$165,355	\$39,644	\$20,229	\$5,057	\$230,285
Add: HST @13%	21,496	5,154	2,630	657	29,937
Total Contract Price Including Taxes	186,851	44,798	22,859	5,714	260,222
Less: HST Rebate	18,586	4,456	2,274	568	25,884
Net Contract Price	<u>\$168,265</u>	<u>\$40,342</u>	<u>\$20,585</u>	<u>\$5,146</u>	<u>\$234,338</u>
Total Construction & Engineering					\$2,830,026

- 2) Development Charges have been utilized in accordance with the underlying legislation and the Development Charges Background Studies completed in 2009.
- 3) Minor future additional annual operating costs of less than \$1,000 are recognized as a result of this project noting that these costs are attributed to new infrastructure installation and will be considered and accommodated within future Wastewater & Treatment operating budgets.


 Alan Dunbar
 Manager of Financial Planning & Policy

Agenda Item #	Page #

Appendix B - Hyde Park Trunk Sanitary Sewer Phasing

