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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. 13-07 2013 INFRASTRUCTURE LIFECYCLE RENEWAL PROGRAM CONTRACT 11: BOND STREET, RAYWOOD AVENUE, ALEXANDRA STREET, AND BEVERLY STREET RECONSTRUCTION

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 Lifecycle Renewal Program, Contract #11: Bond Street, Raywood Avenue, Alexandra Street, and Beverly Street Reconstruction Project (ES2464-13, EW3656-2, TS3014-13).

- (a) the bid submitted by J-AAR Excavating Ltd. (J-AAR), 200 King Street, Ilderton, ON, N0M 2A0, at its tendered price of \$1,842,467.20 (excluding H.S.T.), for the 2013 Infrastructure Lifecycle Renewal Program, Contract #11 project, **BE ACCEPTED**; it being pointed out that the bid submitted by J-AAR was the lowest of eleven bids received and meets the City's specifications and requirements in all areas;
- (b) Dillon Consulting Limited (Dillon Consulting), 130 Dufferin Avenue, London ON, N6A 4W7, **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 \$242,891.00 (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 \$1,350.00 **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 13-07); 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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- [Appointment of Consulting Engineers, Infrastructure Lifecycle Renewal and Growth Management Implementation Strategy Programs, 2012-2013 \(Contract A\), Built and Natural Environment Committee, July 18, 2011, Agenda Item #6](#)

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- [ETC Report of 2009-12-07, 8/46/ETC. Appointment of Consulting Engineer and Update – Old South Combined Sewer Overflow ISF Project – Wellington Road Area – Watson Street Park / Trevithen / Alexandra / Herkimer](#)
- [ETC Report of 2009-07-20, 13/56/ETC. Appointment of Consulting Engineer – Stimulus Project Number: ES2461-1287 – Old South Combined Sewer Overflow Project – Wellington Road Area – Trevithen / Alexandra / Herkimer](#)
- [ETC Report of 2009-03-23, 4/13/ETC. Wellington Road Storm and Sanitary Servicing Master Plan – Environmental Assessment / Preliminary Design](#)
- [ETC Report of 2007-06-18, 3/5/ETC. Wellington Road Area Sanitary and Storm Servicing Class Environmental Assessment and Pre-Design.](#)

BACKGROUND

Purpose:

This report recommends award of tender to a contractor and continuation of consulting services for the reconstruction of:

Bond Street from Trevithen Street to Beverly Street
 Raywood Avenue from Trevithen Street to Beverly Street
 Alexandra Street from Herkimer Street to Beverly Street
 Beverly Street from Bond Street to Alexandra Street

This work includes installation of new storm sewers, replacement of existing sanitary sewers, watermain and lead water service replacement, construction of new sidewalks, curb and gutter, and asphalt road.

Infrastructure replacement needs have been coordinated with Wastewater and Drainage Engineering, Water Engineering, and Construction Administration for efficient use of funds during construction.

Background:

The Wellington Road Storm and Sanitary servicing Master Plan was completed in 2009 under the Municipal class Environmental Assessment (EA). The Master Plan systematically addressed chronic flooding problems and combined sewer overflows. The Master Plan identified a comprehensive series of improvements to be implemented over the next 30 years noting the key component of the Master Plan was a recommendation to construct a new storm outfall to Thames River. This would allow sewer separation to proceed in the Old South Study Area. The new outfall was constructed in 2010 and the City is now in a position to complete infrastructure renewal to the next most problematic parts of the study area serviced by combined sewers.

Discussion:

The engineering design of this project was included in the approved 2011 Wastewater & Treatment and Water Capital Works Budgets. Due to the complexities of the project, it was intended to be a two year design period with construction planned for the 2013 construction season. The construction phase was included in the approved 2013 Wastewater & Treatment and Water Capital Works Budgets.

Bond Street, Raywood Avenue, Alexandra Street, and Beverly Street have been identified as high priorities in the replacement programs due to the poor condition of the municipal infrastructure. The sanitary sewer, private drain connections and cast iron watermains on these streets were originally installed between 1921 and 1925. The sewers and watermain in this location have reached the end of their life expectancy. In addition, there are currently no storm sewers within the project limits. Introducing 660 meters of new storm sewers will provide increased surface flooding protection to the neighborhood.

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This project effectively removes existing combined sewers within the limits of this project. Removing storm water from the sanitary sewer reduces the risk of basement flooding as it lowers the risk of sewer overloading. It also provides the added benefit of reduced treatment costs to the City at the Wastewater Treatment Plants. Removing these extraneous flows also will result in fewer combined sewer overflows providing direct environmental benefits such as the water quality and aquatic habitat of the Thames River. In the long term, when all of the projects recommended by the Master Plan are completed, significant storm flow volume will be removed from the sanitary system annually.

The construction program also includes replacement of lead water services within the City's right-of-way, replacement of private drain connections where requested, replacement of curb and gutter, new sidewalks and full asphalt road replacement for the full limits of construction.

A public information session was held on November 22, 2012 specifically for all owners and residents within and immediately bordering the project area to address questions and concerns.

A Project Location map is included below for reference.



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. Similarly the Lead Replacement Program is also covered by City By-laws. As part of this project, the water service connection will be replaced to the property line at the City's cost and the property owner may elect to replace their private side connection at their cost. Homeowners may be eligible to participate in the Lead Service Extension Replacement Loan Program as applicable.

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Tender Summary:

Tenders for the 2013 Infrastructure Lifecycle Renewal Program, Contract #11 Project were opened on February 6, 2013. Eleven (11) contractors submitted tender prices as listed below (exclusive of H.S.T.).

CONTRACTOR		TENDER PRICE SUBMITTED	CORRECTED TENDER PRICE
1.	J-AAR Excavating Limited	\$1,842,467.40	--
2.	L-82 Construction	\$1,905,991.76	--
3.	Bre-Ex Limited	\$1,920,472.32	--
4.	Elgin Construction	\$1,930,820.89	--
5.	Omega Contractors Inc.	\$1,931,434.40	--
6.	Van Bree Drainage and Bulldozing	\$1,992,643.50	\$1,992,644.50
7.	Birnam Excavating Ltd.	\$2,036,628.68	--
8.	Tri-Con Excavating	\$2,197,113.40	
9.	Aar-Con Excavating Inc.	\$2,331,795.50	--
10.	291 Construction Ltd.	\$2,350,556.10	--
11.	Ingerwood Construction Ltd.	\$2,478,190.31	--

All tenders have been checked by the Environmental and Engineering Services Department and the City's consultant, Dillon Consulting. There was one bid with mathematical errors which when corrected did not alter the bid ranking.

The tender estimate just prior to tender opening was \$2,544,000.00 (excluding H.S.T.). The low tender is just over 30% below the estimate. This indicates a very competitive environment and illustrates the benefit of strategically staging City tenders and tendering projects early in the construction season. All tenders include a contingency allowance of \$200,000.00 (excluding H.S.T.).

Minor future additional annual operating costs of \$1,350.00 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:

Dillon Consulting was awarded the detailed design by Council on July 18, 2011. Due to their knowledge and experience with this project, Dillon Consulting was requested to submit a proposal to carry out the contract administration and resident supervision for this project. In accordance with Section 15.2 (g) of the City of London's Procurement of Goods and Services Policy, the administration is recommending that Dillon Consulting be authorized to carry out the remainder of engineering services to complete this project for the provided fee estimate of \$242,891.00 (excluding H.S.T.), noting the upset amount for total engineering services for the project is \$422,268.00 (excluding H.S.T.) spread over 2011 – 2013.

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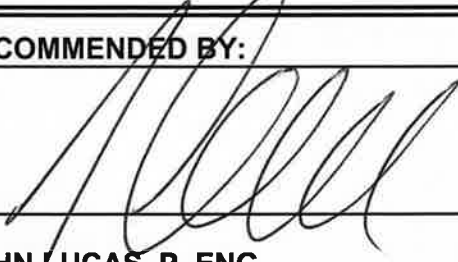

Conclusions:

Award of the construction contract to J-AAR will allow the project objectives to be met within the available budget.

The use of Dillon Consulting for the remainder of engineering services for this project is in the best financial and technical interests of the City.

Acknowledgements:

This report was prepared within the Wastewater and Drainage Engineering Division by Ugo DeCandido, Environmental Services Engineer, and Brad Weber, Technologist II.

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

February 25, 2013
UD/BW

Attach: Appendix "A" – Sources of Financing

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c.c. Roland Welker Rick Pedlow Justin Lawrence John Simon
J-AAR Excavating Dillon Consulting

Chair and Members
Civic Works Committee

March 1, 2013
(Award Contract)

RE: 2013 Infrastructure Lifecycle Renewal Program - Contract 11
Bond Street, Raywood Avenue, Alexandra Street and Beverly Street Reconstruction
Capital Project ES2464 - 2010 Separation & CSO Program
Capital Project ES2464-13 - 2013 Separation & CSO Program
Capital Project EW3656-2 - Wellington Rd Watermain Replacement - Phase 2
Capital Project TS3014-13 - 2013 Road Rehab - Local & Rural
J-AAR Excavating Ltd. - \$1,842,467.20 (excluding H.S.T.)
Dillon Consulting Limited - \$242,891.00 (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:

	Approved Budgets	Revised Budget	Committed to Date	This Submission	Balance for Future Work
SUMMARY OF ESTIMATED EXPENDITURES					
ES2464 - 2010 Separation & CSO Program					
Engineering	\$1,134,658	\$1,134,658	\$1,011,075	\$123,583	\$0
Construction	418,421	418,421	311,283		107,138
City Related Expenses	36,402	36,402	36,402		0
	<u>1,589,481</u>	<u>1,589,481</u>	<u>1,358,760</u>	<u>123,583</u>	<u>107,138</u>
ES2464-13 - 2013 Separation & CSO Program					
Construction	4,000,000	4,000,000		992,270	3,007,730
Construction (PDC Portion)	0	40,000		40,000	0
	<u>4,000,000</u>	<u>4,040,000</u>	<u>0</u>	<u>1,032,270</u>	<u>3,007,730</u>
EW3656-2-Wellington Rd Watermain Repl.-Ph 2					
Engineering	123,583	123,583		123,583	0
Construction	758,417	758,417		613,987	144,430
	<u>882,000</u>	<u>882,000</u>	<u>0</u>	<u>737,570</u>	<u>144,430</u>
TS3014-13 - 2013 Road Rehab-Local & Rural					
Construction	4,000,000	4,000,000	280,374	228,639	3,490,987
	<u>\$10,471,481</u>	<u>\$10,511,481</u>	<u>\$1,639,134</u>	<u>\$2,122,062</u> 1)	<u>\$6,750,285</u>
NET ESTIMATED EXPENDITURES					
SUMMARY OF FINANCING:					
ES2464 - 2010 Separation & CSO Program					
Debenture By-law No. W.-5312-270	\$750,000	\$750,000	\$519,279	\$123,583	\$107,138
Drawdown from Sewage Works Reserve Fund	439,481	439,481	439,481		0
Federal Gas Tax	400,000	400,000	400,000		0
	<u>1,589,481</u>	<u>1,589,481</u>	<u>1,358,760</u>	<u>123,583</u>	<u>107,138</u>
ES2464-13 - 2013 Separation & CSO Program					
Drawdown from Sewage Works Reserve Fund	1,250,000	1,250,000			1,250,000
Federal Gas Tax	2,750,000	2,750,000		992,270	1,757,730
Cash Recovery from Property Owners (PDC Portion)	0	40,000		40,000	0
	<u>4,000,000</u>	<u>4,040,000</u>	<u>0</u>	<u>1,032,270</u>	<u>3,007,730</u>
EW3656-2-Wellington Rd Watermain Repl.-Ph 2					
Drawdown from Capital Water Reserve Fund	882,000	882,000		737,570	144,430
TS3014-13 - 2013 Road Rehab-Local & Rural					
Capital Levy	2,256,350	2,256,350	280,374	228,639	1,747,337
Debenture Quota	1,743,650	1,743,650			1,743,650
	<u>4,000,000</u>	<u>4,000,000</u>	<u>280,374</u>	<u>228,639</u>	<u>3,490,987</u>
	<u>\$10,471,481</u>	<u>\$10,511,481</u>	<u>\$1,639,134</u>	<u>\$2,122,062</u>	<u>\$6,750,285</u>
TOTAL FINANCING					
1) FINANCIAL NOTE:					
	ES2464-13	EW3656-2	TS3014-13	Total Construction	
Contract Price - Construction	\$1,014,416	\$603,367	\$224,684	\$1,842,467	
Add: HST @13%	131,874	78,438	29,209	239,521	
Total Contract Price Including Taxes	1,146,290	681,805	253,893	2,081,988	
Less: HST Rebate	114,020	67,818	25,254	207,092	
Net Contract Price	<u>\$1,032,270</u>	<u>\$613,987</u>	<u>\$228,639</u>	<u>\$1,874,896</u>	
	ES2464	EW3656-2		Total Engineering	
Contract Price - Engineering	\$121,446	\$121,445		\$242,891	
Add: HST @13%	15,788	15,788		31,576	
Total Contract Price Including Taxes	137,234	137,233		274,467	
Less: HST Rebate	13,651	13,650		27,301	
Net Contract Price	<u>\$123,583</u>	<u>\$123,583</u>		<u>\$247,166</u>	
				<u>\$2,122,062</u>	
Total Construction & Engineering					

2) Minor future additional annual operating costs of \$1,350 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