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<b>TO:</b>	<b>CHAIR AND MEMBERS CIVIC WORKS COMMITTEE MEETING ON APRIL 8, 2013</b>
<b>FROM:</b>	<b>JOHN BRAAM, P. Eng. MANAGING DIRECTOR, ENVIRONMENTAL &amp; ENGINEERING SERVICES &amp; CITY ENGINEER</b>
<b>SUBJECT:</b>	<b>CONTRACT AWARD: TENDER NO. 13-05 2013 INFRASTRUCTURE LIFECYCLE RENEWAL PROGRAM CONTRACT 4: EDWARD STREET RECONSTRUCTION</b>

<b>RECOMMENDATION</b>
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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 #4: Edward Street Reconstruction Project (ES2414-13, EW3765-13, TS3014-13).

- (a) the bid submitted by Bre-Ex Ltd. (Bre-Ex), 247 Exeter Road, London, ON, N6L 1A5, at its tendered price of \$2,737,897.60 (excluding H.S.T.), for the 2013 Infrastructure Lifecycle Renewal Program, Contract #4 project, **BE ACCEPTED**; it being pointed out that the bid submitted by Bre-Ex was the lowest of nine bids received and meets the City's specifications and requirements in all areas;
- (b) Archibald, Gray, McKay Consulting Engineers (AGM), 3514 White Oak Road London ON, N6E 2Z9, **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 \$279,119.00 (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 \$900.00 **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 13-05); and
- (g) 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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- Appointment of Consulting Engineers, Stimulus – Infrastructure Projects 2009, (Old South Storm Sewer Installation & Sanitary Sewer Replacement: Duchess & Tecumseh), Environment and Transportation Committee, July 20, 2009, Agenda Item #6
- Appointment of Consulting Engineers, Infrastructure Lifecycle Renewal Program, 2013-2014 (Contract 4), Civic Works Committee, May 29, 2012, Agenda Item #7

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## BACKGROUND

### **Purpose:**

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

Edward Street from Bruce Street to Briscoe Street

This work includes replacement of existing and 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.

### **Discussion:**

The Edward Street project was initially considered as part of the 2009 Stimulus – Infrastructure Projects (Old South Storm Sewer Installation & Sanitary Sewer Replacement: Duchess & Tecumseh) program. At that time Edward Street between Briscoe Street and Duchess Avenue was pre-designed utilizing senior level government stimulus funding but construction was deferred to 2013 due to budgetary constraints.

In 2012, the City added two additional blocks to the project and incorporated the remainder of design and contract preparation for the entire Edward Street project into the 2012 Wastewater & Treatment and Water Capital Works Budgets. The construction of Edward Street from Briscoe Street to Bruce Street is included in the approved 2013 Wastewater & Treatment and Water Capital Works Budgets.

Edward Street has been identified as a high priority in the replacement program due to the poor condition of the municipal infrastructure. The sanitary sewer and private drain connections on this street were originally installed in 1897. The sewers and watermain in this location have reached the end of their life expectancy. In addition, there are currently no storm sewers in over 70% of the project limits. Introducing 450 meters of new storm sewers will provide increased surface flooding protection to the neighborhood.

The construction program also includes replacement of lead water services, replacement of private drain connections, replacement of curb and gutter, new sidewalks and full asphalt road replacement for the full limits of construction.

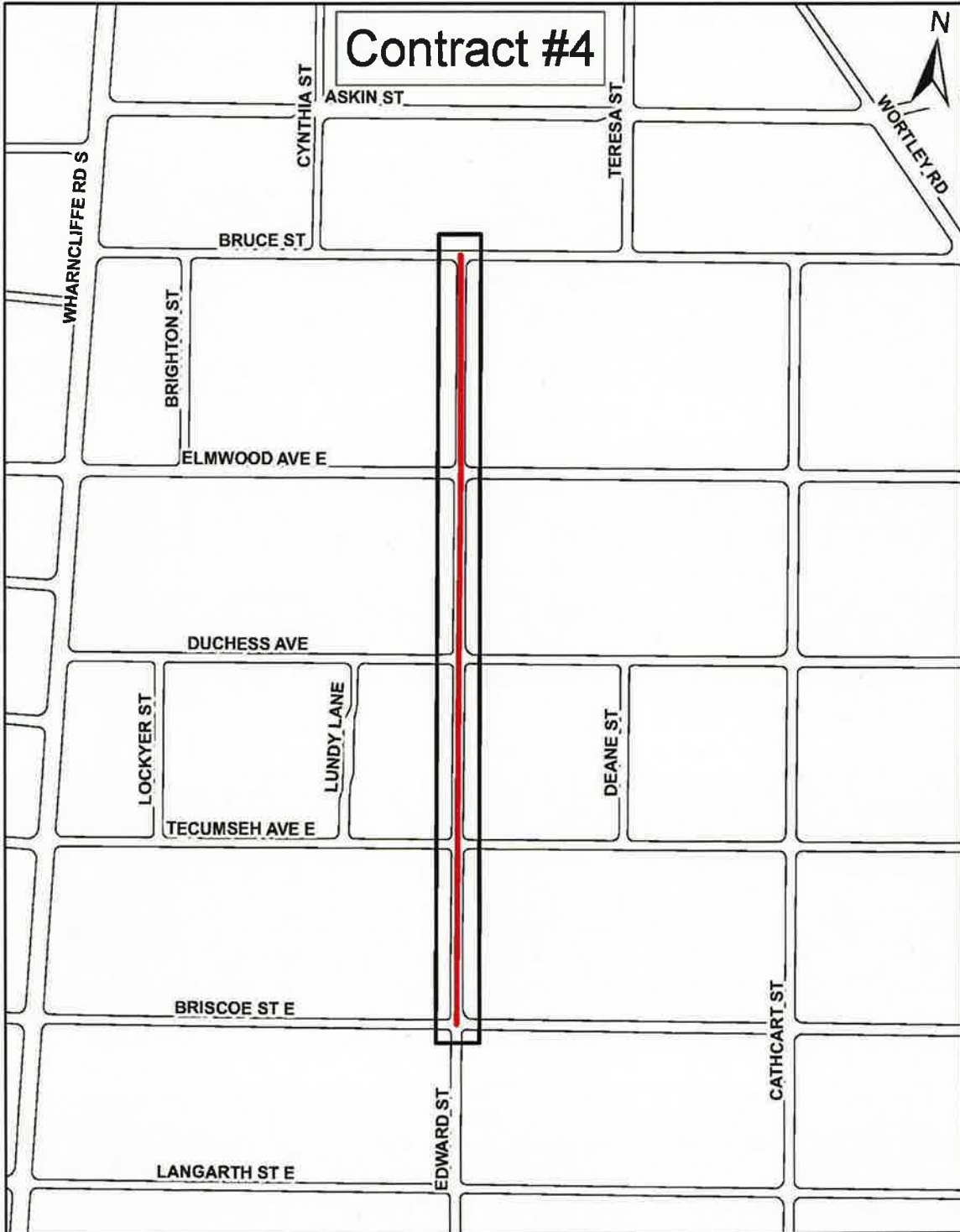
A public information session was held on November 29, 2012 specifically for all owners and residents within and immediately bordering the project area to address questions and concerns.

During the construction phase of this project a few LTC buses, with existing routes on Edward Street, will be rerouted to neighbouring streets. LTC has coordinated these changes with the City's project team. In addition, the last component of this project requires closure of the Bruce Street & Edward Street intersection to allow for construction of underground infrastructure. As Bruce Street is currently one way eastbound, a by-law amendment is required to manage traffic around the vicinity of this location. The by-law will allow for two way traffic on Bruce Street between Cynthia and Teresa Streets for the time period of September 23, 2013 to November 1, 2013.

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A Project Location map is included below for reference.



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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 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.

#### **Tender Summary:**

Tenders for the 2013 Infrastructure Lifecycle Renewal Program, Contract #4 project were opened on February 14, 2013. Nine (9) contractors submitted tender prices as listed below (exclusive of H.S.T.).

CONTRACTOR		TENDER PRICE SUBMITTED	CORRECTED TENDER PRICE
1.	Bre-Ex Limited	\$2,753,863.81	\$2,737,897.60
2.	L-82 Construction	\$2,919,622.83	\$2,945,281.68
3.	Birnam Excavating	\$2,971,602.40	\$2,972,486.85
4.	Elgin Construction	\$3,025,814.56	--
5.	Van Bree Drainage	\$3,058,069.07	\$3,058,069.87
6.	Tri-Con Excavating	\$3,073,324.90	\$3,073,324.95
7.	United Contracting	\$3,220,475.22	--
8.	291 Construction	\$3,462,447.13	\$3,462,447.20
9.	Omega Contractors	\$4,004,926.03	\$4,004,908.03

All tenders have been checked by the Environmental and Engineering Services Department and the City's consultant, AGM. Seven of the nine bids contained mathematical errors which when corrected did not alter the bid ranking.

The tender estimate just prior to tender opening was \$3,392,000.00 (excluding H.S.T.). The low tender is just over 20% 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 \$250,000.00 (excluding H.S.T.).

Minor future additional annual operating costs of \$900.00 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:**

AGM was awarded the finalization of detailed design by Council on June 12, 2012. Due to their knowledge and experience with this project, AGM 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 AGM be authorized to carry out the remainder of engineering services to complete this project for the provided fee estimate of \$279,119.00 (excluding H.S.T.), noting the upset amount for total engineering services for the project is \$363,885.00 (excluding H.S.T.) spread over 2009 – 2013.

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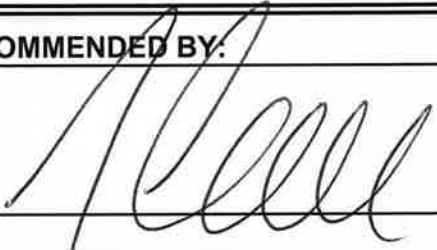
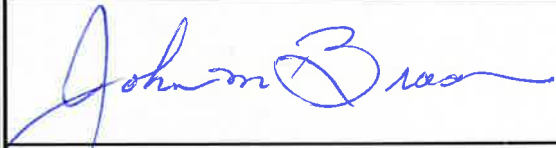
**Conclusions:**

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

The use of AGM 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 Doug Harron, Technologist.

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

March 13, 2013  
UD/dh

Attach: Appendix "A" – Sources of Financing

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c.c. Roland Welker      Rick Pedlow      Justin Lawrence      John Simon  
Bre-Ex Limited      AGM Engineering

APPENDIX 'A'

#13025

March 22, 2013  
(Award Contract)

Chair and Members  
Civic Works Committee

**RE: 2013 Infrastructure Lifecycle Renewal Program**  
**Contract 4: Edward Street Reconstruction**  
**Capital Project ES2414-11 - 2011 Sewer Replacement**  
**Capital Project ES2414-12 - 2012 Sewer Replacement**  
**Capital Project ES2414-13 - 2013 Sewer Replacement**  
**Capital Project EW3765-12 - 2012 Main Replacement-Engineering**  
**Capital Project EW3765-13 - 2013 Main Replacement-Engineering**  
**Capital Project TS3014-13 - 2013 Road Rehabilitation - Local & Rural**  
**Bre-Ex Ltd. - \$2,737,897.60 (excluding H.S.T.)**  
**Archibald, Gray, McKay Consulting Engineers - \$279,119.00 (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:

<b>SUMMARY OF ESTIMATED EXPENDITURES</b>	<b>Approved Budget</b>	<b>Revised Budget</b>	<b>Committed to Date</b>	<b>This Submission</b>	<b>Balance for Future Work</b>
<b>ES2414-11 - 2011 Sewer Replacement</b>					
Engineering	\$1,407,574	\$1,407,574	\$1,407,574		\$0
Construction	8,702,840	8,702,840	6,837,525	1,017,649	847,666
Construction (PDC Portion)	276,200	276,200	276,200		0
City Related Expenses	96,735	96,735	96,735		0
	<u>10,483,349</u>	<u>10,483,349</u>	<u>8,618,034</u>	<u>1,017,649</u>	<u>847,666</u>
<b>ES2414-12 - 2012 Sewer Replacement</b>					
Engineering	385,722	385,722	147,135	238,587	0
Construction	8,584,589	8,584,589	6,012,284		2,572,305
Construction (PDC Portion)	205,400	205,400	205,400		0
City Related Expenses	69,689	69,689	69,689		0
	<u>9,245,400</u>	<u>9,245,400</u>	<u>6,434,508</u>	<u>238,587</u>	<u>2,572,305</u>
<b>ES2414-13 - 2013 Sewer Replacement</b>					
Construction	10,322,000	10,322,000	1,510,399	1,247,145	7,564,456
Construction (PDC Portion)	24,000	50,000	24,000	26,000	0
	<u>10,346,000</u>	<u>10,372,000</u>	<u>1,534,399</u>	<u>1,273,145</u>	<u>7,564,456</u>
<b>EW3765-12 - 2012 Main Repl.-Engineering</b>					
Engineering	1,032,185	1,032,185	982,185	45,445	4,555
Construction	3,510,225	3,510,225	3,110,060		400,165
Relocate Utilities	65,000	65,000	818		64,182
City Related Expenses	77,590	77,590	75,075		2,515
	<u>4,685,000</u>	<u>4,685,000</u>	<u>4,168,138</u>	<u>45,445</u>	<u>471,417</u>
<b>EW3765-13 - 2013 Main Repl.-Engineering</b>					
Engineering	340,000	340,000			340,000
Construction	5,890,500	5,890,500	560,554	422,369	4,907,577
Relocate Utilities	65,000	65,000			65,000
City Related Expenses	23,500	23,500			23,500
	<u>6,319,000</u>	<u>6,319,000</u>	<u>560,554</u>	<u>422,369</u>	<u>5,336,077</u>
<b>TS3014-13 2013 Road Rehab-Local &amp; Rural</b>					
Engineering	30,000	30,000	20,585		9,415
Construction	3,970,000	3,970,000	737,023	72,921	3,160,056
	<u>4,000,000</u>	<u>4,000,000</u>	<u>757,608</u>	<u>72,921</u>	<u>3,169,471</u>
<b>NET ESTIMATED EXPENDITURES</b>	<b><u>\$45,078,749</u></b>	<b><u>\$45,104,749</u></b>	<b><u>\$22,073,241</u></b>	<b><u>\$3,070,116</u></b> <sup>1)</sup>	<b><u>\$19,961,392</u></b>
<b>SUMMARY OF FINANCING:</b>					
<b>ES2414-11 - 2011 Sewer Replacement</b>					
Debenture Quota	\$1,207,149	\$1,207,149		\$359,483	\$847,666
Drawdown from Sewage Works Reserve Fund	6,250,000	6,250,000	6,250,000		0
Federal Gas Tax	2,750,000	2,750,000	2,091,834	658,166	0
Cash Recovery from Property Owners (PDC Portion)	276,200	276,200	276,200		0
	<u>10,483,349</u>	<u>10,483,349</u>	<u>8,618,034</u>	<u>1,017,649</u>	<u>847,666</u>
<b>ES2414-12 - 2012 Sewer Replacement</b>					
Drawdown from Sewage Works Reserve Fund	6,290,000	6,290,000	3,479,108	238,587	2,572,305
Federal Gas Tax	2,750,000	2,750,000	2,750,000		0
Cash Recovery from Property Owners (PDC Portion)	205,400	205,400	205,400		0
	<u>9,245,400</u>	<u>9,245,400</u>	<u>6,434,508</u>	<u>238,587</u>	<u>2,572,305</u>
<b>ES2414-13 - 2013 Sewer Replacement</b>					
Capital Sewer Rates	430,000	430,000		7,544	422,456
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	0
Cash Recovery from Property Owners (PDC Portion)	24,000	50,000	24,000	26,000	0
	<u>10,346,000</u>	<u>10,372,000</u>	<u>1,534,399</u>	<u>1,273,145</u>	<u>7,564,456</u>
<b>EW3765-12 - 2012 Main Repl.-Engineering</b>					
Capital Water Rates	4,685,000	4,685,000	4,168,138	45,445	471,417
<b>EW3765-13 - 2013 Main Repl.-Engineering</b>					
Capital Water Rates	6,319,000	6,319,000	560,554	422,369	5,336,077
<b>TS3014-13 2013 Road Rehab-Local &amp; Rural</b>					
Capital Levy	2,256,350	2,256,350	757,608	72,921	1,425,821
Debenture Quota	1,743,650	1,743,650			1,743,650
	<u>4,000,000</u>	<u>4,000,000</u>	<u>757,608</u>	<u>72,921</u>	<u>3,169,471</u>
<b>TOTAL FINANCING</b>	<b><u>\$45,078,749</u></b>	<b><u>\$45,104,749</u></b>	<b><u>\$22,073,241</u></b>	<b><u>\$3,070,116</u></b>	<b><u>\$19,961,392</u></b>

Chair and Members  
Civic Works Committee

March 22, 2013  
(Award Contract)

**RE: 2013 Infrastructure Lifecycle Renewal Program**  
**Contract 4: Edward Street Reconstruction**  
**Capital Project ES2414-11 - 2011 Sewer Replacement**  
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**Archibald, Gray, McKay Consulting Engineers - \$279,119.00 (excluding H.S.T.)**

	<u>ES2414-11</u>	<u>ES2414-13</u>	<u>EW3765-13</u>	<u>TS3014-13</u>	<u>Total Construction</u>
1) <b>FINANCIAL NOTE:</b>					
Contract Price - <b>Construction</b>	\$1,000,048	\$1,251,126	\$415,064	\$71,660	\$2,737,898
Add: HST @13%	130,006	162,646	53,958	9,316	355,926
Total Contract Price Including Taxes	1,130,054	1,413,772	469,022	80,976	3,093,824
Less: HST Rebate	112,405	140,627	46,653	8,055	307,740
Net Contract Price	<u>\$1,017,649</u>	<u>\$1,273,145</u>	<u>\$422,369</u>	<u>\$72,921</u>	<u>\$2,786,084</u>
					<u>Total Engineering</u>
Contract Price - <b>Engineering</b>		\$234,460	\$44,659		\$279,119
Add: HST @13%		30,480	5,806		36,286
Total Contract Price Including Taxes		264,940	50,465		315,405
Less: HST Rebate		26,353	5,020		31,373
Net Contract Price		<u>\$238,587</u>	<u>\$45,445</u>		<u>\$284,032</u>
<b>Total Construction &amp; Engineering</b>					<u><u>\$3,070,116</u></u>

2) Minor future additional annual operating costs of \$900.00 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.

JG



Alan Dunbar

Manager of Financial Planning & Policy