

Report to Civic Works Committee

To: Chair and Members
Civic Works Committee
From: George Kotsifas, P.Eng.
Managing Director, Development & Compliance Services & Chief
Building Official
Subject: RFT21-07 – Innovation Park Assumption Works: Tender Award
Date: May 11, 2021

Recommendation

That, on the recommendation of the Managing Director, Development & Compliance Services & Chief Building Official, the following actions **BE TAKEN** with respect to the award of contract for the Innovation Park Assumption Works project:

- (a) the bid submitted by Cassidy Construction London Ltd., at its tendered price of \$3,237,130.99, excluding HST, **BE ACCEPTED**; it being noted that the bid submitted by Cassidy Construction London Ltd., was the lowest of seven (7) bids received;
- (b) the financing for this project **BE APPROVED** as set out in the Sources of Financing Report attached hereto as Appendix 'A';
- (c) that Civic Administration **BE AUTHORIZED** to undertake all the administrative acts that are necessary in connection with this project;
- (d) 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 No. RFT21-07); and,
- (e) the Mayor and City Clerk **BE AUTHORIZED** to execute any contract or other documents, if required, to give effect to these recommendations.

Executive Summary

Purpose

This report recommends the award of a tender, Innovation Park Assumption Works, to Cassidy Construction London Ltd, to undertake construction works in Phases 2 through 4 of the Innovation Industrial Park.

Context

The completion of these works will bring the roads and infrastructure within Phases 2 through 4 to a level of completeness and finish to begin the final stages of the assumption. Currently the infrastructure is under the stewardship of the City of London's Industrial Land Development group and the assumption process will transfer them to the City of London's various Operations groups. The project works primarily consists of asphalt repair and top coat, curb and gutter repairs, and sidewalk installation.

Linkage to the Corporate Strategic Plan

The Innovation Park Assumption Works project supports the 2019 – 2023 Strategic Plan through the strategic focus area of "Growing Our Economy" specifically by "invest in City Building projects", ensure job growth through attraction of new capital from diverse range of markets and industries" and "continue to invest in land acquisition and

servicing to recruit and retain new industrial employers”.

Analysis

1.0 Background Information

1.1 Previous Reports Related to this Matter

Board of Control – June 6, 2008 – Contract Award – Tender No. 08-44, Innovation Park Industrial Subdivision Phase 1, Stage 1 and Phase 2

Board of Control – May 13, 2009 – Contract Award – Tender No. 09-43, Innovation Park Industrial Subdivision Phase 4 – Stage 1 and External Works – Bradley Avenue Watermain

Board of Control – November 4, 2009 – Contract Award – Tender No. 09-104, Innovation Park Industrial Area Sanitary Trunk Sewer Extension

Board of Control – February 10, 2010 – Infrastructure Stimulus Fund Contract Award: Tender No. 10-12, Innovation Park Industrial Subdivision Phase 3

Finance and Administrative Services Committee – December 15, 2010 – Infrastructure Stimulus Funding Program Update

Finance and Administrative Services Committee – January 19, 2011 – Infrastructure Stimulus Funding Program Extension Request

Built and Natural Environment Committee – August 15, 2011 – Infrastructure Stimulus Fund Contract Award: Tender 11-78, Innovation Park Industrial Subdivision Phases 1 and 2 Site Grading and Surface Works

Built and Natural Environment Committee – September 26, 2011 – Contract Award: Tender 11-91, Innovation Park Industrial Subdivision Phase 3 Sanitary Sewer Extension

Civic Works Committee – July 17, 2011 – Contract Award – Tender 12-80 - Infrastructure Stimulus Fund Contract Award: Tender 11-78, Innovation Park Industrial Subdivision Phases 2 and 4 Site Grading

2.0 Discussion and Considerations

2.1 Tender Summary

Tenders for the Innovation Park Assumption Works project were opened on February 16, 2021. Seven (7) contractors submitted tender prices as listed below, excluding HST.

	Contractor	Tender Price Submitted
1.	Cassidy Construction London Ltd.	\$3,237,130.99
2.	J-AAR Excavating Limited	\$3,275,572.13
3.	Dufferin Construction Company, a division of CRH Canada Group Inc.	\$3,308,188.30
4.	Bre-Ex Construction Inc	\$3,372,641.30
5.	Aar-Con Excavating	\$3,398,989.00
6.	L82 Construction Ltd	\$3,421,273.50
7.	Coco Paving Inc.	\$3,657,000.00

All tenders have been checked by the Environmental and Engineering Services Department and the City's consultant, AECOM Canada Ltd.

The tender estimate just prior to tender opening was \$4,161,685.00, excluding HST. The low tender is approximately 28% below the pretender estimate, with the highest bid within 12% of the lowest, indicating a competitive bidding environment. All tenders include a contingency and cash allowances of \$600,000.00.

3.0 Financial Impact/Considerations

No new funds are required for this project as the accounts sourced are within existing and approved budgets.

4.0 Key Issues and Considerations

4.1. Park Engagement

With Innovation Park having many established, new, and under construction companies in the various phases of the park engagement with them will be key to making these works a success. A notice has previously been sent out in the fall of 2020 making them aware of the upcoming project and asking for their input. Several companies contacted staff for further details about the project and its timing. Staff will continue to have a dialogue as required with the companies to ensure these works are as least disruptive as possible. Further notices regarding the project award and commencement date will be issued.

Conclusion

Award of the tender to Cassidy Construction London Inc. for the Innovation Park Assumption Works project will allow for the final stages of assumption from the Industrial Land Development group to the City's respective Operational divisions to commence. These works will bring the the road and underlaying infrastructure up to final specifications.

Prepared by: Chris McIntosh, P. Eng.
Manager III, Engineering Planning (Industrial Land)

Submitted by: Mark Henderson, Director, Business Liaison and
Industrial Land Development Strategy

Recommended by: George Kotsifas, P. Eng.
Managing Director, Development & Compliance Services
& Chief Building Official

Appendix 'A' Sources of Financing
Appendix 'B' Location Map

CC: Chris Ginty, Purchasing and Supply
Gary McDonald, Budget Analyst
Cassidy Construction London Inc.
AECOM Canada Ltd

Appendix "A"

#21036

April 20, 2021
(Tender Award)

Chair and Members
Civic Works Committee

RE: RFT21-07 - Innovation Park Assumption Works: Tender Award
(Subledger SWM20004)
Capital Project ID1168 - Innovation Park
Capital Project ID2058 - Innovation Park - Swr Oversizing Works
Capital Project ID2058-3A - Innovation Park - Sewer Oversizing - Dr. Oetker
Capital Project ID1150 - ILDS Internal Servicing
Cassidy Construction Ltd. - \$3,237,130.99 (excluding HST)

Finance and Corporate Services Report on the Sources of Financing:

Finance and Corporate Services confirms that the cost of this purchase can be accommodated within the financing available for it in the Capital Budget, and that, subject to the approval of Managing Director, Development and Compliance Services and Chief Building Official, the detailed source of financing is:

Estimated Expenditures	Approved Budget	Committed To This Date	This Submission	Balance for Future Work
ID1168 - Innovation Park				
Engineering	3,244,693	3,244,693	0	0
Construction	15,709,090	14,715,536	993,554	0
Relocate Utilities	4,625,314	4,625,314	0	0
Street Lights	93,235	93,235	0	0
City Related Expenses	2,458,248	2,458,248	0	0
Other	130,264	130,264	0	0
ID1168 Total	\$26,260,844	\$25,267,290	\$993,554	\$0
ID2058 - Innovation Park - Swr Oversizing Works				
Engineering	604,434	604,434	0	0
Construction	7,182,679	6,703,055	479,624	0
Relocate Utilities	3,609	3,609	0	0
City Related Expenses	115,259	115,259	0	0
Other	359,019	359,019	0	0
ID2058 Total	\$8,265,000	\$7,785,376	\$479,624	\$0
ID2058-3A - Innovation Park - Swr Oversizing Works - Dr. Oetkers				
Engineering	8,663	8,663	0	0
Construction	305,067	209,358	95,709	0
City Related Expenses	1,270	1,270	0	0
ID2058-3A Total	\$315,000	\$219,291	\$95,709	\$0
ID1150 - ILDS Internal Servicing				
Engineering	7,305,255	350,086	0	6,955,169
Construction	10,487,334	1,640,931	1,725,217	7,121,186
City Related Expenses	100,000	13,193	0	86,807
ID1150 Total	\$17,892,589	\$2,004,210	\$1,725,217	\$14,163,162
Total Expenditures	\$52,733,433	\$35,276,167	\$3,294,104	\$14,163,162

Appendix "A"

#21036

April 20, 2021
(Tender Award)

Chair and Members
Civic Works Committee

RE: RFT21-07 - Innovation Park Assumption Works: Tender Award
(Subledger SWM20004)
Capital Project ID1168 - Innovation Park
Capital Project ID2058 - Innovation Park - Swr Oversizing Works
Capital Project ID2058-3A - Innovation Park - Sewer Oversizing - Dr. Oetker
Capital Project ID1150 - ILDS Internal Servicing
Cassidy Construction Ltd. - \$3,237,130.99 (excluding HST)

Sources of Financing

ID1168 - Innovation Park

Drawdown from Industrial Land Acquisition Reserve Fund	6,519,227	5,525,673	993,554	0
Drawdown from Industrial Oversizing Reserve Fund	3,806,637	3,806,637	0	0
Drawdown from London Connect Inc Reserve Fund	3,491,000	3,491,000	0	0
Provincial Grants	9,325,000	9,325,000	0	0
Superbuild Funding	1,288,594	1,288,594	0	0
Other	1,830,386	1,830,386	0	0
ID1168 Total	\$26,260,844	\$25,267,290	\$993,554	\$0

ID2058 - Innovation Park - Swr Oversizing Works

Debenture By-law No. W-1926(a)-188 (Serviced through Industrial Land Reserve Fund)	2,800,000	2,800,000	0	0
Drawdown from Industrial Oversizing - Sewer Reserve Fund	3,246,529	2,805,820	440,709	0
Drawdown from City Services - Wastewater Reserve Fund (Note 1)	670,600	631,685	38,915	0
Superbuild Funding	1,547,871	1,547,871	0	0
ID2058 Total	\$8,265,000	\$7,785,376	\$479,624	\$0

ID2058-3A - Innovation Park - Swr Oversizing Works - Dr. Oetkers

Drawdown from Oversizing Sewer Reserve Fund	287,620	200,230	87,390	0
Drawdown from City Services - Wastewater Reserve Fund (Note 1)	27,380	19,061	8,319	0
ID2058-3A Total	\$315,000	\$219,291	\$95,709	\$0

ID1150 - ILDS Internal Servicing

Drawdown from Industrial Land Acquisition Reserve Fund	3,609,255	0	0	3,609,255
Drawdown from Economic Development Reserve Fund	14,283,334	2,004,210	1,725,217	10,553,907
ID1150 Total	\$17,892,589	\$2,004,210	\$1,725,217	\$14,163,162

Total Financing	\$52,733,433	\$35,276,167	\$3,294,104	\$14,163,162
------------------------	---------------------	---------------------	--------------------	---------------------

Appendix "A"

#21036

April 20, 2021
(Tender Award)

Chair and Members
Civic Works Committee

RE: RFT21-07 - Innovation Park Assumption Works: Tender Award
(Subledger SWM20004)
Capital Project ID1168 - Innovation Park
Capital Project ID2058 - Innovation Park - Swr Oversizing Works
Capital Project ID2058-3A - Innovation Park - Sewer Oversizing - Dr. Oetker
Capital Project ID1150 - ILDS Internal Servicing
Cassidy Construction Ltd. - \$3,237,130.99 (excluding HST)

Financial Note:	ID1168	ID2058	ID2058-3A	ID1150
Contract Price	\$976,370	\$471,329	\$94,054	\$1,695,378
Add: HST @13%	126,928	61,273	12,227	220,399
Total Contract Price Including Taxes	1,103,298	532,602	106,281	1,915,777
Less: HST Rebate	-109,744	-52,977	-10,572	-190,560
Net Contract Price	\$993,554	\$479,624	\$95,709	\$1,725,217

Financial Note:	Total
Contract Price	\$3,237,131
Add: HST @13%	420,827
Total Contract Price Including Taxes	3,657,958
Less: HST Rebate	-363,853
Net Contract Price	\$3,294,104

Note 1: Development charges have been utilized in accordance with the underlying legislation and the approved 2019 Development Charges Background Study and the 2021 Development Charges Background Study Update.

Jason Davies
Manager of Financial Planning & Policy

km

Appendix B Location Map – Innovation Park Assumption Works

Project Limits:

Concept Drive, Innovation Drive (south of Concept Drive), Innovation Gate, Oetker Gate, Discovery Drive, Nova Court, Bonder Road, Boyd Court.

