

Report to Civic Works Committee

To: Chair and Members
Civic Works Committee

From: Kelly Scherr, P. Eng., MBA, FEC
Deputy City Manager, Environment & Infrastructure

Subject: Contract Award: Tender No. RFT-2022-248
Rapid Transit Implementation – Wellington Street from
Queens Avenue to the Thames River (South Branch) –
Irregular Result

Date: January 31, 2023

Recommendation

That on the recommendation of the Deputy City Manager, Environment & Infrastructure, the following actions **BE TAKEN** with respect to the award of contracts for Rapid Transit Implementation – Wellington Street from Queens Avenue to the Thames River (South Branch) project; it being noted that in accordance with Section 13.2 of the City of London's Procurement of Goods and Services Policy Request for Tender (RFT) contract awards greater than \$6,000,000 require approval of City Council:

- (a) the bid submitted by Bre-Ex Construction Inc. at its tendered price of \$28,540,331.45 excluding HST, for the Rapid Transit Implementation – Wellington Street from Queens Avenue to the Thames River (South Branch) project, **BE ACCEPTED** in accordance with the Procurement of Goods and Services Policy Section 8.10 (a) and 13.2 (b); it being noted that this is an irregular result because the cost exceeds the project budget for the Downtown Loop Phase 3 project; it also being noted that the bid submitted by Bre-Ex Construction Inc. was the lowest of three (3) bids received and meets the City's specifications and requirements in all areas;
- (b) AECOM Canada Ltd. **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 \$1,804,701 excluding HST, in accordance with Section 15.2 (g) of the City of London's Procurement of Goods and Services Policy;
- (c) the financing for this project **BE APPROVED** as set out in the "Sources of Financing Report" attached, hereto, as Appendix A;
- (d) the Civic Administration **BE AUTHORIZED** to undertake all administrative acts that are necessary in connection with this project;
- (e) 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 RFT-2022-248); and,
- (f) the Mayor and City Clerk **BE AUTHORIZED** to execute any contract or other documents, if required, to give effect to these recommendations.

Executive Summary

This report recommends award of a tender to a contractor and continuation of consulting services for construction inspection and contract administration for the Rapid Transit Implementation – Wellington Street from Queens Avenue to the Thames River (South Branch) project. This project combines Phase 3 of the Downtown Loop project and Phase 1 of Wellington Gateway project and will reconstruct Wellington Street from

the Queens Avenue intersection to just north of the Clark's Bridge Thames River crossing. Figure 1 below depicts the approximate limits of the works for the project.



Figure 1: Downtown Loop Phase 3 and Wellington Gateway Phase 1 Construction Limits

Context

On March 26, 2019, Council approved the submission of funding applications for ten transit and transit supportive projects. All ten projects were approved under the Public Transit Infrastructure Stream (PTIS) program, including the Downtown Loop and Wellington Gateway.

On June 25, 2019, the Province pledged \$103.2 million through the PTIS program to the City of London for the ten projects. On August 23, 2019, the Federal government announced \$123.8 million for the same projects under the PTIS program. On October 10, 2019, the City of London received a letter from the Ontario Ministry of Transportation confirming financial commitment for the ten projects under the PTIS program.

The Downtown Loop will implement side-running dedicated transit lanes with the goal of increasing transit reliability and frequency. Removing buses from mixed traffic will also improve capacity in general traffic lanes. Today there is, on average, a bus every 90 seconds running along the Downtown Loop.

The Wellington Gateway corridor is a mixed-use corridor, with existing land uses including historic businesses, residential neighbourhoods, and heavy industrial and commercial uses. The corridor is anchored by Downtown London at the northern end and McDonald-Cartier Freeway (Highway 401) at the southern end, and also provides service to London Health Sciences Foundation's Wellington campus and the White Oaks Mall. The project will widen and revitalize approximately seven (7) kilometers of Wellington Street/Road from Horton Street East to just north of Exeter Road, adding

continuous transit-only centre running and curbside lanes with the goal of improving traffic capacity and increasing transit efficiency.

In addition to being a planned rapid transit corridor, both the Downtown Loop and the Wellington Gateway contain aging municipal infrastructure. There is a need to replace water, sanitary and storm infrastructure in select areas, and update private utility services to support infrastructure renewal, population growth, re-development and revitalization along rapid transit corridors. These significant and challenging municipal infrastructure lifecycle replacements will be coordinated as part of this overall assignment.

Linkage to the Corporate Strategic Plan

The following report supports the Strategic Plan through the strategic focus area of “Building a Sustainable City” by implementing and enhancing safe and convenient mobility choices for transit riders, automobile users, pedestrians, and cyclists. This report also supports the Strategic Plan through the strategic focus area of “Growing Our Economy” by supporting revitalization of London’s downtown and urban areas.

Analysis

1.0 Background Information

1.1 Previous Reports Related to this Matter

- Civic Works Committee – June 19, 2012 – London 2030 Transportation Master Plan;
- Strategic Priorities and Policy Committee – July 24, 2017 – Rapid Transit Master Plan and Business Case;
- Strategic Priorities and Policy Committee – April 23, 2018 – Bus Rapid Transit Environmental Assessment Initiative;
- Civic Works Committee – March 14, 2019 – The History of London’s Rapid Transit Initiative;
- Strategic Priorities and Policy Committee – March 25, 2019 – Investing in Canada Infrastructure Program, Public Transit Stream, Transportation Projects for Submission;
- Strategic Priorities and Policy Committee – October 28, 2019 – Investing in Canada Infrastructure Program, Public Transit Infrastructure Stream, Approved Projects;
- Civic Works Committee – January 7, 2020 – Downtown Loop and Municipal Infrastructure Improvements Appointment of Consulting Engineer;
- Civic Works Committee – August 11, 2020 – East London Link Transit and Municipal Infrastructure Improvements – Appointment of Consulting Engineer;
- Civic Works Committee – August 11, 2020 – Wellington Gateway Transit and Municipal Infrastructure Improvements – Appointment of Consulting Engineer;
- Vendor of Record Contract Award – November 29, 2022 – Rapid Transit Shelter Infrastructure.

2.0 Discussion and Considerations

2.1 Downtown Loop and Wellington Gateway Corridors

The Wellington Gateway is a mixed-use corridor, with existing land uses including historic sites, residential neighborhoods, medical facilities, and heavy commercial uses and captures Wellington Street and Wellington Road which transitions over the Thames River (south branch) crossing. The corridor provides a thoroughfare for traffic to and

from the Downtown Core and provides swift access to Highway 401 and today supports several local transit routes.

Constructing the Wellington Gateway will widen the existing corridor to introduce centre running rapid transit operations along Wellington Street/Road. The realignment of corridor sections, most notably the “S-Curve” between Weston Street and Moore Street, will be undertaken to enhance both the safety and capacity of the roadway. While rebuilding the roadway, the project will address necessary underground work, including replacing aging sewers and watermains in addition to revitalizing approximately seven (7) kilometers of roadway from Downtown through south London. The municipal underground works within this project have been identified as high priority due to the age, condition, and associated risk of failure of the infrastructure.

The first two phases of Downtown Loop were constructed in 2021 and 2022. Phase 2 of the Downtown Loop covering Ridout Street North from King Street to Fullarton Street, and Queens Avenue from west of Ridout Street North to Wellington Street will require carryover works in the spring/summer of 2023 that will be coordinated with this contract.

This contract will be the first phase of Wellington Gateway to be constructed. Subject to obtaining all necessary permits,

the Clark’s Bridge Widening and Rehabilitation phase of Wellington Gateway is scheduled to start construction on June 1, 2023 and be completed by December 2024. The Contractor for the bridge project must coordinate all traffic control provisions with the adjacent, concurrent Phase 1 Wellington Gateway construction project.

2.2 Rapid Transit Implementation – Wellington Street from Queens Avenue to the Thames River (South Branch) Contract

This is a large and complex project that involves significant reconstruction of Wellington Street from Queens Avenue to Thames River (south branch). This contract combines Phase 3 of Downtown Loop and Phase 1 of Wellington Gateway to take advantage of efficiencies with combining the works both from a construction staging and cost perspective.

The reconstruction will include the following improvements:

- Full road reconstruction to incorporate rapid transit dedicated lanes, including new asphalt, boulevard enhancements, curb and gutter, and sidewalks;
- Curbside bus-only lanes on Wellington Street north of Horton Street and centre running bus-only lanes on Wellington Street south of Horton Street with priority signals to improve traffic and safety;
- The addition of new rapid transit stops on Wellington Street at King Street, Horton Street and South Street totalling five (5) stations;
- New street lights and traffic signal upgrades;
- Repair and replacement of aging watermain, storm and sanitary sewers including private drain connections; and,
- Hydro and other private utility improvements.

2.3 Downtown Loop and Wellington Gateway Environmental Assessment Update

The rapid transit environmental assessment design concepts proposed centre-running dedicated transit lanes along the length of Wellington Gateway as far north as the CNR Underpass. A median stop was proposed at Horton Street East at which point transit operations transitioned to curbside bus lanes approaching the Downtown Loop. Upon further review and refinement during detailed design, the transition from centre running to curbside was shifted towards Gray Street with curbside stations at the Horton Street East intersection. This design update maintained overall transit operations while almost eliminating land purchase needs on this block of Wellington, avoiding grading challenges, significantly reducing property and business impacts and creating a more open pedestrian realm at the intersection.

Similarly with the Downtown Loop Phase 3, the southbound transit lanes approaching the CNR underpass were refined after further operational reviews to shift the transition to mixed traffic from York Street to midway through the King St and York Street block.

In accordance with provincial legislation, the design revisions were not deemed significant in relation to matters of provincial importance. As such, a note-to-file was sufficient to satisfy provincial environmental assessment addendum requirements.

2.4 Construction Considerations

Mitigation of construction impacts is a priority for this project to minimize the impacts on local businesses, residents and the public. Due to the large volume of work to be completed in a single construction season, multiple stages/substages may have to be constructed at the same time.

It will be the contractor's responsibility to manage business and local traffic through these areas as documented in the contractor's traffic management plan. The contract includes a pay item for a Construction Staging Workshop in which the City, LTC, Contractor and the Contract Administrator will collaboratively review opportunities to streamline construction staging and overall project schedule in an effort to reduce resident, business, and social impacts. The proposed construction limits are shown in **Figure 2**.

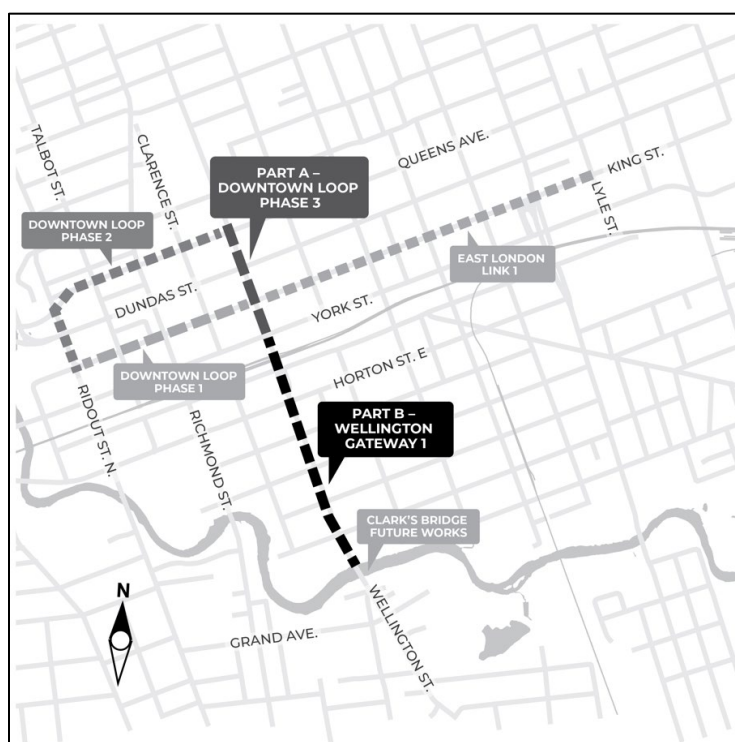


Figure 2: Approximate Limits of the Rapid Transit Implementation – Wellington Street from Queens Avenue to the Thames River (South Branch) Project

The Contractor will be required to develop an illustrated and written work plan outlining their proposed construction schedule and support the project communications team in updating the public on what to expect from the project.

Construction staging limits were identified in the Contract Documents for information and to support the tendering process understanding further staging refinements will come through the Contract Staging Workshop with the Contractor. However, some key requirements were identified in the contract to minimize inconvenience to the existing residents, institutions, and businesses. The limits of the construction staging and construction requirements are summarized below.

Contract Part A – Downtown Loop Phase 3 – Queens Avenue to York Street:

Downtown Loop Phase 3 has been broken down into three (3) stages of construction.

Stage 1 – west side of Wellington Street, from York Street to Queens Avenue

Stage 2 – east side of Wellington Street, from York Street to Queens Avenue

Stage 3 – median construction on Wellington Street, from York Street to Queens Avenue

- During all stages, pedestrian access is to be maintained at all times.
- The Contractor must always maintain one paved northbound and southbound traffic lane as well as paved southbound left turns lanes at King Street and Dundas Street and northbound left turn lanes at Queens Avenue.
- The Contractor will be required to coordinate with the Contract Administrator and Citi-Plaza management to maintain access to the parking garage and underground loading dock.
- The Contractor must maintain access to and from the loading entrance at the RBC Centre located on the east side of Wellington Street, except as directed and approved by the Contract Administrator and RBC staff.

Part B (Wellington Gateway Phase 1, York Street to Thames River)

Wellington Gateway Phase 2 has been broken down into four (4) stages of construction. The limits of the construction staging and construction requirements are summarized below:

Stage 1 – Wellington Street, from South Street to the north side of Clark's Bridge over the Thames River

Stage 2 - west side of Wellington Street, from York Street to South Street

Stage 3 – east side of Wellington Street, from York Street to South Street

Stage 4 – bus platforms and centre median construction, from York Street to South Street

- During all stages, pedestrian access is to be maintained at all times.
- During Stages 1, 2 and 3 of construction, the Contractor must maintain one paved lane of northbound and southbound traffic, and a left turn lane will be always maintained along Wellington Street.
- During Stage 4, construction of the bus platforms and centre medians between York Street and South Street will be undertaken once Stages 2 and 3 are completed. As with previous stages of construction, one paved lane of northbound, and southbound traffic, including a left turn lane will be always

maintained utilizing paved surface along Wellington Street. Pedestrian access will also be always maintained.

Core Construction Coordination

The Contractor has been advised through the tender of the requirement to coordinate their construction staging approach with other ongoing work in the immediate area. The 2022 rapid transit contracts, Downtown Loop Phase 2 and East London Link Phase 1, represent the largest core projects ever undertaken in a single construction season, covering 7 city blocks each. As a result, these projects provisioned for strategic carry-over work to spring of 2023. There is also some advanced utility relocation work to be completed in the early spring.

The Contractor is aware of the need to coordinate with:

- carry-over work associated with the Downtown Loop and Municipal Infrastructure Improvements Phase 2 contract to be undertaken on Queen's Avenue, between Clarence Street and Wellington Street with a scheduled completion date of July 1, 2023
- carry-over work associated with the East Link and Municipal Infrastructure Improvements Phase 1 contract to be undertaken on King Street, between the east side of Wellington Street to Waterloo Street which is tentatively scheduled to be completed by July 1, 2023,
- general deficiency and spring cleanup work along the length of both 2022 rapid transit contracts; and
- Enbridge high-pressure gas main relocation on the east side of Wellington Street, between King Street and Dundas Street, tentatively scheduled to be completed by April 1, 2023.

Clark's Bridge Widening and Rehabilitation Contract coordination requirements

Subject to obtaining all necessary permits, the Clark's Bridge Widening and Rehabilitation project is scheduled to start construction on June 1, 2023 and be completed by December 2024. During this period, traffic across the bridge will be reduced to one northbound and southbound traffic lane and active transportation connections are to be maintained. The General Contractor who is awarded the Clark's Bridge project must coordinate all work with the Contract Administrator, the City of London and the General Contractor who is awarded the Wellington Rapid Transit Implementation Project. The future Clark's Bridge project and schedule shall ensure that all traffic control provisions are coordinated between the two adjacent, concurrent construction projects with measures in place to maintain the required separation from a constructor perspective.

2.5 Domestic Action Plan

One of the municipal actions identified in the City of London's Domestic Action Plan (DAP) for Phosphorus Reduction is combined sewer replacement. The DAP states, "The City of London will accelerate plans to separate combined sewers, including the design and construction of necessary stormwater outlets, with the target of separating 80 per cent (17 kilometres) of its combined sewer system by 2025."

This target for combined sewer replacement is contingent on federal and provincial funding. The following table provides the length of combined sewer replacement achieved for this project in relation to the DAP targets.

2016 – 2025 Combined Sewer DAP Target (km)	Prior DAP Combined Sewer Removed/Separated (km)	This project – Combined Sewer Removed/Separated (km)	Remaining Combined Sewer (km) to achieve target
17 km	8.5 km	0.1 km	8.4 km

This project achieves the removal of approximately 100m of combined sewer, as the City continues to work towards achieving its DAP targets.

2.6 Public Engagement and Consultation

To share the near-final designs and information on project status and next steps, the City of London hosted a virtual Public Information Centre (PIC) and two-week consultation period between September 23, 2022 and October 7, 2022, with subsequent “Transit Tuesday” drop-in sessions available for the public to discuss the project in-person with the project team on Tuesday, September 27, 2022 and Tuesday, October 4, 2022, at the Major Project’s office. In addition, City representatives hosted an information booth at the Western Fair Farmer’s Market on Sunday, September 25, 2022, which is located along the East London Link Phase 2 area.

This engagement period was an opportunity for property owners, businesses and residents within and immediately bordering the project area to bring forward questions and concerns. It was also a chance for the general public to learn more about the project.

The project team also consulted directly with individual property owners and businesses throughout 2022. The proposed staging of construction was communicated to property and business owners to identify access needs and alternative entry and exit points, and outline potential impacts during construction, including – but not limited to – traffic, waste collection, and noise and vibrations.

The City will continue to issue timely communications and traffic detour information to minimize potential impact to residents and businesses during construction. Some key ways to support this include:

- Devoting dedicated business relations resources to the project, to act as a liaison between the City and individual businesses;
- Maintaining access to buildings and driveways throughout construction or providing alternative arrangements wherever needed; and
- Ensuring Londoners know the area is open for business during construction through targeted, strategic marketing.

3.0 Financial Impact/Considerations

3.1 Procurement Process

Tenders for the Wellington Street from Queens Ave to Thames River project were opened on January 20, 2022. Three (3) contractors submitted tender prices as listed below, excluding HST.

Contractor	Company Name	Tender Price Submitted
1	Bre-Ex Construction Inc.	\$28,540,331.45
2	CH Excavating (2013)	\$31,820,215.13
3	J-AAR Excavating Limited	\$33,359,909.89

All tenders have been checked by the Construction & Infrastructure Services Department and AECOM Canada Ltd. No mathematical errors were found, and the results of the tendering process indicate a competitive process. The tender was advertised early and for an extended period of time to account for the larger scope of work, with an advanced tender posting notice completed. The tender estimate just prior to tender publication was \$27.9M excluding HST. This tender estimate also includes values for coordinated City and external utility works; see Source of Financing Appendix A for cost sharing details. This tender includes a total contingency allowance of \$2,600,000.

Part A of this tender represents the third and final civil construction contract for the Downtown Loop Project and, considering all previous budget commitments, the low tender for this contract exceeds the approved funds in the Downtown Loop Construction budget by \$399,197. This is 1.7% of the total construction budget of \$23.3 million (RT1430-7A) for the Downtown Loop.

It should be noted that shelters, TIMMS (smart signals) and land acquisition costs are funded through separate Downtown Loop budgets. The Wellington Gateway portion of this tender is also funded from its own construction budget which has sufficient budget to fund Part B of this contract.

Similar to other municipalities across the province, London has been observing industry-wide supply chain challenges and rapid rates of inflation for construction materials and labour. Based on the tender analysis of all three Downtown Loop construction contracts compared to the previous EA cost estimates that were used to establish the approved budget, the project exceedance is related to the following factors:

- Recent construction price escalations have been observed following approval of the EA cost estimates from 2018. Sharp construction cost increases are typified by the 12.5% increase in the last 12 months in the Statistics Canada Non-Residential Building Construction Price Index, much higher than the inflation projections of 2-3% accounted for in the EA.
- Labour shortages have resulted in increased costs for skilled labour and increased risk.
- Recent changes to provincial regulations regarding the management of excess soils requires more testing, reporting, and disposal during construction which has resulted in additional project costs.
- Traffic signals, landscaping and lighting are seeing cost increases related to rising aluminum and construction material costs.
- The Community Employment Benefits (CEB) program is a Federal requirement under ICIP. This program is covered through cash allowances in the construction contracts and provides invaluable opportunities to members of equity-seeking employment groups. Still, the program is an incremental cost not previously identified during the EA.
- In recognition of ongoing utility locate delays provincewide and their impacts on municipal construction projects, the City of London has started using a dedicated locator model for capital construction contracts. This model enables faster and more efficient location of underground utilities to streamline projects and minimize delays. Dedicated locate services come at a higher cost but help to avoid the greater cost risk associated with potential construction delays.
- The projects have seen increased costs associated with mitigating the social impacts of these major construction projects. Communications and wayfinding during construction are vitally important especially when working in the core.

- The Downtown Loop project has also seen increased costs related to security and safety for these job sites.

In an effort to offset these cost pressures, staff and the consultant design team continue to review value engineering design alternatives and seek budget efficiencies along all three of the Rapid Transit corridors.

In the case of the Downtown Loop, the project realized most of its savings through careful coordination for utility relocations. The EA conservatively assumed the relocation of all utilities located within the dedicated transit lanes. Working with utility partners, the team assessed operation and maintenance requirements and frequencies and, in many cases, determined that utility infrastructure could be managed in place through specific Traffic Control Plans and performing maintenance activities outside peak hours.

Each year, the rapid transit tenders have intentionally closed before year end. Not only is this essential to starting these large projects as early in the construction season as possible, earlier tendering and timely contract awards yield significant efficiencies and cost savings by creating a more competitive bidding environment.

At its core, the Downtown Loop is a road reconstruction and utility replacement project and that is something City staff have significant experience in planning and delivering successfully. London is also fortunate to have strong local construction and engineering industries that are committed to efficiently delivering these infrastructure projects from both a cost and schedule perspective. While the City and design team has been successful in limiting the budget over-run for the Downtown Loop project to a relatively small amount, the factors that are impacting the cost of this project will need to be closely monitored for their potential impacts on the other legs of the RT network scheduled for the coming years. The 2024-2027 Multi-Year Budget provides the opportunity to adjust those budgets as necessary.

3.2 Consulting Services

AECOM/Dillon Consulting Limited were awarded the detailed design of both the Downtown Loop and Wellington Gateway projects by Council on January 14, 2020 and August 25, 2020, respectively, as a partnership. The projects in terms of Consultant lead are broken up into design phases. AECOM is the lead design consultant for both:

- Phase 3 – Wellington Street from Queens Avenue to King Street – AECOM
- Phase 1 – Wellington Street/Road from King Street to Grand Avenue – AECOM

Due to the Consultant's knowledge and positive performance on the detailed design, a proposal for contract administration and construction observation was requested and the scope of fees were negotiated.

Staff have reviewed the fee submission for contract administration and construction observation of these projects, including the time allocated to each project task, along with hourly rates provided by each of the Consultant's staff members. That review of assigned personnel, time per project task, and hourly rates was consistent with other rapid transit and infrastructure renewal program assignments of similar scope, noting that these combined assignments are relatively greater in length and incorporates unique transit infrastructure elements including five (5) transit station platforms and related electrical and Information Technology Systems (ITS) support. It is also anticipated that greater consultant effort will be required to progress construction due to a number of site-specific issues, including property/parking access, multiple simultaneous construction work areas, extended working hours, etc. Fees also include a

provision to support proper management of on-site and excess soils as required under the new Ontario Regulation 406/19.

The continued use of AECOM on this project for resident inspection and contract administration and construction observation is of financial advantage to the City because the firm has specific knowledge of the project and has undertaken work for which duplication would be required if another firm were to be selected.

In accordance with Section 15.2 (g) of the City of London's Procurement of Goods and Services Policy, which states 'A consulting firm which has satisfactorily partially completed a project may be recommended for award of the balance of a project without competition subject to satisfying all financial, reporting and other conditions contained within this Policy. This should be to the financial advantage of the City due to the fact that such a consultant has specific knowledge of the project and has undertaken work for which duplication would be required if another firm were to be selected. Civic Administration is recommending that AECOM be authorized to carry out the remainder of engineering services, as contract administrators and construction observers, and complete this project for a fee estimate of \$1,804,701 excluding HST. These fees are associated with the aforementioned services to ensure that the City receives the product specified and associated value. The approval of this work will bring the total engineering services to date for the entire Downtown Loop and Wellington Gateway projects to \$6,555,751 and \$7,467,401 respectively, excluding HST, as of August 2020.

3.3 Downtown Loop Capital Funding

The approved Downtown Loop construction budget (RT1430-7A) reflects the council approved amount of \$23.3 million. The total costs to complete the project exceed the available budget by \$399,197, after additional funding provided by Water, Sewer Engineering, Stormwater Engineering, Parks, and Utilities to their respective portions of the additional costs.

A portion of the project costs are being funded through the Investing in Canada Infrastructure Program (ICIP) Public Stream via the Rapid Transit approved EA. Under this program, the Federal and Provincial governments have committed \$8.6M and \$7.2M respectively towards this project's construction (RT1430-7A) and requires the program to be completed by 2027.

The construction project will be managed carefully to take advantage of any cost efficiencies and potential surpluses from the contingency amounts that are identified in both the construction and engineering contracts for all three phases of Downtown Loop.

The funding deficit of \$399,197 is proposed to be funded by proportionate share from Capital Levy (current year funding directed to support the capital plan) and Development Charges, which is outlined in the RT1430-7A section of the Source of Financing document attached as Appendix A.

A Source of Financing is a document produced by Financial Planning & Policy that accompanies external and internal City of London procurement documents. A Source of Financing represents the City of London Finance department's attestation to the availability of funding and illustrates what portion of the available funding is being committed to the capital works in question. This document is a key support for the approving party (whether Council or Civic Administration under the approval limits of the Procurement of Goods and Services Policy) during procurement of goods and services. Sources of Financing are also occasionally used to accompany Standing Committee reports seeking approval of new capital projects that need to establish a budget or

existing capital projects that require a budget increase outside of the traditional budget development cycles.

3.4 Operating Budget Impacts

Phase 3 of the Downtown Loop and Phase 1 of the Wellington Gateway will revitalize Wellington Street within the proposed right-of-way from Queens Avenue to just north of Clark's Bridge resulting in marginal annual operating budget impacts to transportation, and sewer operations. No water or parks operational cost increases are expected. The following table summarizes anticipated additional increases from this Rapid Transit contract.

SERVICE AREA	RATIONALE	ANNUAL OPERATIONAL COST INCREASE
Sewer Operations	Cleaning and flushing of additional sewers, manholes, and catchbasins.	\$750
Transportation Operations	Additional lane km summer and winter maintenance	\$15,292
Parks Operations	Maintaining planters and irrigated median.	\$194,500
Traffic Engineering	Maintaining new signal at Wellington St and South St.	\$11,681

The new bus shelters for the rapid transit program will follow a separate procurement process which is currently underway. More detailed information on the operational budget impact of the shelters will come through that process.

Any property tax supported operational budget impacts will be addressed as part of the annual assessment growth process where appropriate, while the additional Water, Sewer Engineering, and Stormwater Engineering costs will be addressed in future budget processes.

Conclusion

Civic Administration has reviewed the tender bids and recommends Bre-Ex Construction Inc. be awarded the construction contract for the Rapid Transit Implementation, Wellington Street from Queens Avenue to the Thames River (South Branch) which includes both Downtown Loop Phase 3 and Wellington Gateway Phase 1, respectively at the submitted tender price of \$28,540,331.45.

AECOM has demonstrated an understanding of the City's requirements for this project, and it is recommended that this firm continue as the consulting engineer for the purpose of contract administration and construction observation services, as it is in the best financial and technical interests of the City. The contract administration assignment is valued at an upset amount of \$1,804,701 excluding HST.

Civic Administration has reviewed the tender submissions, created a financing plan, and further recommends reallocation of fees to complete these projects.

Prepared by: Ted Koza, P.Eng., Division Manager, Major Projects

Submitted by: Jennie Dann, P.Eng., Director, Construction & Infrastructure Services

**Recommended by: Kelly Scherr, P.Eng., MBA, FEC Deputy City Manager,
Environment & Infrastructure**

Appendix A – Sources of Financing report

Appendix "A"

#23008

January 31, 2023
(Award Contract)

Chair and Members
Civic Works Committee

RE: Contract Award: RFT-2022-248 Rapid Transit Implementation
Wellington Street from Queens Avenue to the Thames River (South Branch) - Irregular Result
(Subledger RD220011)
Capital Project ES241422 - Infrastructure Renewal Program - Sanitary Sewer
Capital Project ES254022 - Infrastructure Renewal Program - Stormwater Sewers and Treatment
Capital Project EW376522 - Infrastructure Renewal Program - Watermains
Capital Project RT1430-7A - Downtown Loop - Construction
Capital Project RT1430-1A - Wellington Gateway (South)
Capital Project RT1430-7D - Downtown Loop - Stops
Capital Project RT1430-1D - Wellington Gateway - Stops
Capital Project TS180519 - TIMMS-PTIS - Transportation
Capital Project RT1430-7C - Downtown Loop - Timms
Capital Project RT1430-1C - Wellington Gateway - Timms
Bre-Ex Construction Inc. - \$28,540,331.45 (excluding HST)
AECOM Canada Ltd. - \$1,804,701.00 (excluding HST)

Finance Supports Report on the Sources of Financing:

Finance Supports 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 Deputy City Manager, Environment and Infrastructure, the detailed source of financing is:

Estimated Expenditures	Approved Budget	Additional Requirement (Note 1)	Revised Budget	Committed To Date	This Submission	Balance for Future Work
ES241422 - Infrastructure Renewal Program - Sanitary Sewer						
Engineering	2,000,000	0	2,000,000	1,029,695	104,326	865,979
Construction	10,409,529	0	10,409,529	2,935,357	1,677,842	5,796,330
City Related Expenses	25,000	0	25,000	630	0	24,370
ES241422 Total	12,434,529	0	12,434,529	3,965,682	1,782,168	6,686,679
ES254022 - Infrastructure Renewal Program - Stormwater Sewers and Treatment						
Engineering	892,483	0	892,483	846,714	45,769	0
Construction	11,884,492	0	11,884,492	11,133,434	751,058	0
City Related Expenses	100,000	0	100,000	3,168	0	96,832
ES254022 Total	12,876,975	0	12,876,975	11,983,316	796,827	96,832
EW376522 - Infrastructure Renewal Program - Watermains						
Engineering	2,665,658	0	2,665,658	1,230,697	205,881	1,229,080
Construction	16,442,609	0	16,442,609	11,130,250	3,334,818	1,977,541
City Related Expenses	391,708	0	391,708	391,708	0	0
EW376522 Total	19,499,975	0	19,499,975	12,752,655	3,540,699	3,206,621
RT1430-7A - Downtown Loop - Construction						
Engineering	2,012,197	0	2,012,197	1,671,714	340,483	0
Engineering (Utilities Share)(note 3)	0	0	30,726	0	30,726	0
Construction	17,837,035	399,197	18,236,232	12,648,146	5,588,086	0
Construction (Utilities Share)(note 3)	0	0	504,512	0	504,512	0
Utilities	902,218	0	902,218	773,570	128,648	0
City Related Expenses	2,578,261	0	2,578,261	2,578,261	0	0
RT1430-7A Total	23,329,711	399,197	24,264,146	17,671,691	6,592,455	0
RT1430-1A - Wellington Gateway (South)						
Engineering	8,437,640	0	8,437,640	3,957,193	848,388	3,632,059
Engineering (Utilities Share)(note 3)	0	0	56,149	0	56,149	0
Construction	49,828,605	0	49,828,605	1,605	13,132,685	36,694,315
Construction (Utilities Share)(note 3)	0	0	859,757	0	859,757	0
Utilities	7,066,000	0	7,066,000	362,046	533,422	6,170,532
City Related Expenses	3,761,000	0	3,761,000	4,348	0	3,756,652
RT1430-1A Total	69,093,245	0	70,009,151	4,325,192	15,430,401	50,253,558

Appendix "A"

#23008
January 31, 2023
(Award Contract)

Chair and Members
Civic Works Committee

RE: Contract Award: RFT-2022-248 Rapid Transit Implementation
Wellington Street from Queens Avenue to the Thames River (South Branch) - Irregular Result
(Subledger RD220011)

RT1430-7D - Downtown Loop - Stops

Engineering	140,579	0	140,579	122,628	17,951	0
Construction	4,302,220	0	4,302,220	557,940	295,050	3,449,230
City Related Expenses	201	0	201	201	0	0
RT1430-7D Total	4,443,000	0	4,443,000	680,769	313,001	3,449,230

RT1430-1D - Wellington Gateway - Stops

Engineering	349,894	0	349,894	265,729	84,165	0
Construction	10,282,106	0	10,282,106	0	1,288,462	8,993,644
RT1430-1D Total	10,632,000	0	10,632,000	265,729	1,372,627	8,993,644

TS180519 - TIMMS-PTIS - Transportation

Engineering	1,890,278	0	1,890,278	1,829,481	15,422	45,375
Construction	791,854	0	791,854	257,333	253,040	281,481
Traffic Signals	6,731,194	0	6,731,194	3,797,234	0	2,933,960
Other Expenditures	11,474	0	11,474	11,474	0	0
TS180519 Total	9,424,800	0	9,424,800	5,895,522	268,462	3,260,816

RT1430-7C - Downtown Loop - TIMMS

Engineering	147,600	0	147,600	137,824	9,776	0
Construction	1,602,400	0	1,602,400	939,744	160,153	502,503
RT1430-7C Total	1,750,000	0	1,750,000	1,077,568	169,929	502,503

RT1430-1C - Wellington Gateway - TIMMS

Engineering	24,067	0	24,067	0	35,693	-11,626
Construction	2,975,933	0	2,975,933	0	551,303	2,424,630
RT1430-1C Total	3,000,000	0	3,000,000	0	586,996	2,413,004

Total Expenditures \$166,484,235 \$399,197 \$168,334,576 \$58,618,124 \$30,853,565 \$78,862,887

Sources of Financing

	Approved Budget	Additional Requirement (Note 1)	Revised Budget	Committed To Date	This Submission	Balance for Future Work
ES241422 - Infrastructure Renewal Program - Sanitary Sewer						
Capital Sewer Rates	7,934,529	0	7,934,529	3,965,682	1,782,168	2,186,679
Drawdown from Sewage Works Renewal Reserve Fund	2,250,000	0	2,250,000	0	0	2,250,000
Canada Community-Building Fund	2,250,000	0	2,250,000	0	0	2,250,000
ES241422 Total	12,434,529	0	12,434,529	3,965,682	1,782,168	6,686,679
ES254022 - Infrastructure Renewal Program - Stormwater Sewers and Treatment						
Capital Sewer Rates	1,269,668	0	1,269,668	1,269,668	0	0
Drawdown from Sewage Works Renewal Reserve Fund	9,351,280	0	9,351,280	8,457,621	796,827	96,832
Canada Community-Building Fund	2,250,000	0	2,250,000	2,250,000	0	0
Other Contributions (note 3)	6,027	0	6,027	6,027	0	0
ES254022 Total	12,876,975	0	12,876,975	11,983,316	796,827	96,832

Appendix "A"

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RE: Contract Award: RFT-2022-248 Rapid Transit Implementation
Wellington Street from Queens Avenue to the Thames River (South Branch) - Irregular Result
(Subledger RD220011)

**EW376522 - Infrastructure Renewal Program -
Watermains**

Capital Water Rates	12,175,544	0	12,175,544	12,175,544	0	0
Drawdown from Water Works Renewal Reserve Fund	6,581,005	0	6,581,005	0	3,374,384	3,206,621
Canada Community-Building Fund	743,426	0	743,426	577,111	166,315	0
EW376522 Total	19,499,975	0	19,499,975	12,752,655	3,540,699	3,206,621

RT1430-7A - Downtown Loop - Construction

Capital Levy	434,894	30,339	465,233	336,293	128,940	0
Public Transit Infrastructure Stream (PTIS) - Federal Funding	8,582,437	0	8,582,437	6,203,805	2,378,632	0
Public Transit Infrastructure Stream (PTIS) - Provincial Funding	7,151,364	0	7,151,364	5,169,356	1,982,008	0
Drawdown from City Services - Roads Reserve Fund (Development Charges) (note 2)	5,287,397	368,858	5,656,255	4,088,618	1,567,637	0
Other Contributions (note 3)	1,873,619	0	2,408,857	1,873,619	535,238	0
RT1430-7A Total	23,329,711	399,197	24,264,146	17,671,691	6,592,455	0

RT1430-1A - Wellington Gateway (South)

Capital Levy	1,950,756	0	1,950,756	122,116	409,797	1,418,842
Public Transit Infrastructure Stream (PTIS) - Federal Funding	27,637,298	0	27,637,298	1,730,077	5,805,798	20,101,423
Public Transit Infrastructure Stream (PTIS) - Provincial Funding	23,028,811	0	23,028,811	1,441,589	4,837,688	16,749,534
Drawdown from City Services - Roads Reserve Fund (Development Charges) (note 2)	16,476,380	0	16,476,380	1,031,411	3,461,212	11,983,758
Other Contributions (note 3)	0	0	915,906	0	915,906	0
RT1430-1A Total	69,093,245	0	70,009,151	4,325,192	15,430,401	50,253,558

RT1430-7D - Downtown Loop - Stops

Capital Levy	675,420	0	675,420	103,490	47,582	524,348
Public Transit Infrastructure Stream (PTIS) - Federal Funding	1,777,200	0	1,777,200	272,308	125,200	1,379,692
Public Transit Infrastructure Stream (PTIS) - Provincial Funding	1,480,852	0	1,480,852	226,900	104,323	1,149,628
Drawdown from City Services - Roads Reserve Fund (Development Charges) (note 2)	509,528	0	509,528	78,071	35,895	395,561
RT1430-7D Total	4,443,000	0	4,443,000	680,769	313,001	3,449,230

RT1430-1D - Wellington Gateway - Stops

Capital Levy	1,616,266	0	1,616,266	40,396	208,665	1,367,205
Public Transit Infrastructure Stream (PTIS) - Federal Funding	4,252,800	0	4,252,800	106,292	549,051	3,597,458
Public Transit Infrastructure Stream (PTIS) - Provincial Funding	3,543,646	0	3,543,646	88,567	457,497	2,997,582
Drawdown from City Services - Roads Reserve Fund (Development Charges) (note 2)	1,219,288	0	1,219,288	30,474	157,414	1,031,400
RT1430-1D Total	10,632,000	0	10,632,000	265,729	1,372,627	8,993,644

Appendix "A"

#23008

January 31, 2023
(Award Contract)

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Civic Works Committee

RE: Contract Award: RFT-2022-248 Rapid Transit Implementation
Wellington Street from Queens Avenue to the Thames River (South Branch) - Irregular Result
(Subledger RD220011)

TS180519 - TIMMS-PTIS - Transportation

Debenture By-law No. W.-5660-92	251,360	0	251,360	157,234	7,160	86,966
Public Transit Infrastructure Stream (PTIS) - Federal Funding	3,769,920	0	3,769,920	2,358,209	107,385	1,304,326
Public Transit Infrastructure Stream (PTIS) - Provincial Funding	3,141,284	0	3,141,284	1,964,976	89,478	1,086,829
Drawdown from City Services - Roads Reserve Fund (Development Charges) (note 2)	2,262,236	0	2,262,236	1,415,103	64,439	782,694
TS180519 Total	9,424,800	0	9,424,800	5,895,522	268,462	3,260,816

RT1430-7C - Downtown Loop - TIMMS

Capital Levy	35,471	0	35,471	21,841	3,444	10,185
Public Transit Infrastructure Stream (PTIS) - Federal Funding	700,000	0	700,000	431,027	67,972	201,001
Public Transit Infrastructure Stream (PTIS) - Provincial Funding	583,275	0	583,275	359,153	56,637	167,484
Drawdown from City Services - Roads Reserve Fund (Development Charges) (note 2)	431,254	0	431,254	265,546	41,876	123,832
RT1430-7C Total	1,750,000	0	1,750,000	1,077,568	169,929	502,503

RT1430-1C - Wellington Gateway - TIMMS

Capital Levy	84,811	0	84,811	0	16,595	68,216
Public Transit Infrastructure Stream (PTIS) - Federal Funding	1,200,000	0	1,200,000	0	234,798	965,202
Public Transit Infrastructure Stream (PTIS) - Provincial Funding	999,900	0	999,900	0	195,646	804,254
Drawdown from City Services - Roads Reserve Fund (Development Charges) (note 2)	715,289	0	715,289	0	139,957	575,332
RT1430-1C Total	3,000,000	0	3,000,000	0	586,996	2,413,004

Total Financing

\$166,484,235	\$399,197	\$168,334,576	\$58,618,124	\$30,853,565	\$78,862,887
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Financial Note (Engineering)

	ES241422	ES254022	EW376522	RT1430-7A	RT1430-7A Utilities	RT1430-1A
Contract Price	\$102,521	\$44,978	\$202,320	\$334,594	\$7,288	\$833,714
Add: HST @13%	13,328	5,847	26,302	43,497	947	108,383
Total Contract Price Including Taxes	115,849	50,825	228,622	378,091	8,235	942,097
Less: HST Rebate	-11,523	-5,056	-22,741	-37,608	-819	-93,709
Net Contract Price	\$104,326	\$45,769	\$205,881	\$340,483	\$7,416	\$848,388

	RT1430-1A Utilities	London Hydro	Start Communications	Bell Canada	Rogers	Telus
Contract Price	\$32,224	\$41,561	\$6,738	\$13,191	\$17,628	\$3,616
Add: HST @13%	4,189	5,403	876	1,715	2,292	470
Total Contract Price Including Taxes	36,413	46,964	7,614	14,906	19,920	4,086
Less: HST Rebate	-3,622	-5,403	-876	-1,715	-2,292	-470
Net Contract Price	\$32,791	\$41,561	\$6,738	\$13,191	\$17,628	\$3,616

	Enwave	RT1430-7D	RT1430-1D	TS180519	RT1430-7C	RT1430-1C
Contract Price	\$4,141	\$17,641	\$82,709	\$15,156	\$9,607	\$35,075
Add: HST @13%	538	2,293	10,752	1,970	1,249	4,560
Total Contract Price Including Taxes	4,679	19,934	93,461	17,126	10,856	39,635
Less: HST Rebate	-538	-1,983	-9,296	-1,704	-1,080	-3,942
Net Contract Price	\$4,141	\$17,951	\$84,165	\$15,422	\$9,776	\$35,693

Total Engineering

Contract Price	\$1,804,702
Add: HST @13%	\$234,611
Total Contract Price Including Taxes	2,039,313
Less: HST Rebate	-\$204,377
Net Contract Price	\$1,834,936

Appendix "A"

#23008

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(Award Contract)

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Civic Works Committee

RE: Contract Award: RFT-2022-248 Rapid Transit Implementation
Wellington Street from Queens Avenue to the Thames River (South Branch) - Irregular Result
(Subledger RD220011)

Financial Note (Construction):	RT1430-7A					
	ES241422	ES254022	EW376522	RT1430-7A	Utilities	RT1430-1A
Contract Price	\$1,648,823	\$738,068	\$3,277,141	\$5,491,436	\$119,135	\$12,905,547
Add: HST @13%	214,347	95,949	426,028	713,887	15,488	1,677,721
Total Contract Price Including Taxes	1,863,170	834,017	3,703,169	6,205,323	134,623	14,583,268
Less: HST Rebate	-185,328	-82,959	-368,351	-617,237	-13,391	-1,450,583
Net Contract Price	\$1,677,842	\$751,058	\$3,334,818	\$5,588,086	\$121,232	\$13,132,685

	RT1430-1A	London	Start	Bell Canada	Rogers	Telus
	Utilities	Hydro	Communications			
Contract Price	\$491,973	\$650,228	\$103,358	\$202,375	\$284,179	\$56,838
Add: HST @13%	63,956	84,530	13,437	26,309	36,943	7,389
Total Contract Price Including Taxes	555,929	734,758	116,795	228,684	321,122	64,227
Less: HST Rebate	-55,298	-84,530	-13,437	-26,309	-36,943	-7,389
Net Contract Price	\$500,631	\$650,228	\$103,358	\$202,375	\$284,179	\$56,838

	Enwave	RT1430-7D	RT1430-1D	TS180519	RT1430-7C	RT1430-1C
	Contract Price	\$67,291	\$289,947	\$1,266,177	\$248,664	\$157,383
Add: HST @13%	8,748	37,693	164,603	32,326	20,460	70,430
Total Contract Price Including Taxes	76,039	327,640	1,430,780	280,990	177,843	612,198
Less: HST Rebate	-8,748	-32,590	-142,318	-27,950	-17,690	-60,895
Net Contract Price	\$67,291	\$295,050	\$1,288,462	\$253,040	\$160,153	\$551,303

Total Construction	
Contract Price	\$28,540,331
Add: HST @13%	3,710,244
Total Contract Price Including Taxes	32,250,575
Less: HST Rebate	-3,231,946
Net Contract Price	\$29,018,629

Financial Note Total Award:	Other Works (including utilities)		
	Rapid Transit Total	Total	Total
Contract Price	\$21,965,598	\$8,379,435	\$30,345,033
Add: HST @13%	2,855,528	1,089,327	3,944,855
Total Contract Price Including Taxes	24,821,126	9,468,762	34,289,888
Less: HST Rebate	-2,468,931	-967,392	-3,436,323
Net Contract Price	\$22,352,195	\$8,501,370	\$30,853,565

Note 1: The additional requirement for RT1430-7A - Downtown Loop - Construction, can be accommodated by adding available Capital Levy and an additional drawdown from the City Services - Roads Reserve Fund (Development Charges).

Note 2: 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.

Note 3: Negotiations with London Hydro, Start Communications, Bell Canada, Rogers Communication, Telus, and Enwave confirming their contributions towards this project are ongoing. The cost allocations among the projects will be adjusted accordingly when negotiations are complete. The expenditures have increased to accommodate their anticipated contributions.

Note 4: There will be annual operating costs of \$750 to Sewer Operations, \$15,292 to Transportation Operations, \$194,500 to Parks Operations and \$11,681 for Traffic Engineering.

Jason Davies
Manager of Financial Planning & Policy

A

RT1430-7A

Financial Note (Engineering)

Contract Price
 Add: HST @13%
 Total Contract Price Including Taxes
 Less: HST Rebate
 Net Contract Price

	Start		
London Hydro	Communi cations	Bell Canada	Rogers
\$12,754		\$497	\$12,257
1,658	0	65	1,593
14,412	0	562	13,850
-1,658	0	-65	-1,593
<u>\$12,754</u>	<u>\$0</u>	<u>\$497</u>	<u>\$12,257</u>

Financial Note (Construction):

Contract Price
 Add: HST @13%
 Total Contract Price Including Taxes
 Less: HST Rebate
 Net Contract Price

	Start		
London Hydro	Communi cations	Bell Canada	Rogers
\$209,798		\$8,505	\$201,504
27,274	0	1,106	26,196
237,072	0	9,611	227,700
-27,274	0	-1,106	-26,196
<u>\$209,798</u>	<u>\$0</u>	<u>\$8,505</u>	<u>\$201,504</u>

B

RT1430-1A

		Start				
		London	Communic	Bell		
Telus	Enwave	Hydro	ations	Canada	Rogers	Telus
\$1,077	\$4,141	\$28,807	\$6,738	\$12,694	\$5,371	\$2,539
140	538	3,745	876	1,650	698	330
1,217	4,679	32,552	7,614	14,344	6,069	2,869
-140	-538	-3,745	-876	-1,650	-698	-330
\$1,077	\$4,141	\$28,807	\$6,738	\$12,694	\$5,371	\$2,539

		Start				
		London	Communic	Bell		
Telus	Enwave	Hydro	ations	Canada	Rogers	Telus
\$17,414	\$67,291	\$440,430	\$103,358	\$193,870	\$82,675	\$39,424
2,264	8,748	57,256	13,437	25,203	10,748	5,125
19,678	76,039	497,686	116,795	219,073	93,423	44,549
-2,264	-8,748	-57,256	-13,437	-25,203	-10,748	-5,125
\$17,414	\$67,291	\$440,430	\$103,358	\$193,870	\$82,675	\$39,424

Total			
Enwave	Contributions	SOF23008	Variance
	\$86,875	86,875.00	-
0	11,293	11,294.00	(1.00)
0	98,168	98,169.00	(1.00)
0	-11,293	(11,294.00)	1.00
\$0	\$86,875	86,875.00	-
Total			
Enwave	Contributions		
	\$1,364,269	1,364,269.00	-
0	177,357	177,356.00	1.00
0	1,541,626	1,541,625.00	1.00
0	-177,357	(177,356.00)	(1.00)
\$0	\$1,364,269	1,364,269.00	-