

Report to Civic Works Committee

To: Chair and Members
Civic Works Committee

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

Subject: Contract Award: RFT-2022-315
2023 Infrastructure Renewal Program
Quebec Street

Date: March 21, 2023

Recommendation

That on the recommendation of the Deputy City Manager, Environment and Infrastructure, the following actions **BE TAKEN** with respect to the award of contract for the 2023 Infrastructure Renewal Program Quebec Street project:

- (a) the bid submitted by J-AAR Excavating Limited at its tendered price of \$6,336,365.87, excluding HST, **BE ACCEPTED**; it being noted that the bid submitted by J-AAR Excavating Limited was the lowest of seven bids received and meets the City's specifications and requirements in all areas;
- (b) Archibald Gray & McKay Engineering Ltd., **BE AUTHORIZED** to carry out the resident inspection and contract administration for the Quebec Street project in accordance with the estimate, on file, at an upset amount of \$534,600.00, including 10% contingency, 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 the 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 (RFT-2022-315); 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

Purpose

This report recommends award of a tender to a contractor and continuation of consulting engineer services for the 2023 Infrastructure Renewal Program Quebec Street project. This project will reconstruct Quebec Street, from Oxford Street East to the Canadian Pacific rail line. A location map depicting the approximate limits of the reconstruction project is provided in Appendix 'B'.

Context

Quebec Street has been identified for reconstruction under the annual Infrastructure Renewal Program as the sanitary sewer, storm sewer and watermain within the project limits are at the end of their useful life. This project will also provide the infrastructure necessary to complete future combined sewer separation on Oxford Street East.

Linkage to the Corporate Strategic Plan

This recommendation supports the following 2019-2023 Strategic Plan areas of focus:

- Building a Sustainable City:
 - London's infrastructure is built, maintained, and operated to meet the long-

term needs of our community by replacing aged and failing infrastructure with new materials and sizing new infrastructure to accommodate future development.

Analysis

1.0 Background Information

1.1 Previous Reports Related to this Matter

- Civic Works Committee – June 22, 2021, Appointment of Consulting Engineers for the Infrastructure Renewal Program, Recommendation a) (ii).

2.0 Discussion and Considerations

2.1 Work Description

The Quebec Street project includes the following work details:

- Watermain replacement including water service renewal to the property line;
- Storm sewer and sanitary sewer replacement;
- Partial replacement of existing private drain connections;
- New cycling infrastructure;
- Removal of a lane of traffic for vehicles;
- Intersection alterations;
- Replacement of existing sidewalk; and
- Full road reconstruction including new asphalt, curb, and gutter.

Infrastructure replacement needs have been coordinated within the Environment and Infrastructure Department. The funding for this project comes from the approved Wastewater, Water, and Transportation capital works budgets.

2.2 Public Consultation

The initial project notice (dated September 2, 2021) was mailed to properties within and flanking the project limits. Included with the notice was a survey that residents were invited to fill out and return to the City's project team to provide information on their property and input for consideration.

The subsequent pre-construction notice (dated November 18, 2022) was mailed to properties within and flanking the project limits. Included in this notice was an invitation for residents to attend a drop-in event to view construction plans, review necessary tree removals, discuss impacts to their property and to learn more about the project. Following the meeting, project boards displayed at the meeting were made available for download on the project website.

2.3 Service Replacement

In conjunction with the construction of this project, the City is replacing existing sewer private drain connections to approximately two metres behind the curb, where applicable, to help minimize future roadway excavations and to extend the service life of the roadway. As part of this project the water service connections will be replaced to the property line. The property owner may elect to replace their private side water service connection at their own cost. Property owners may also be eligible to participate in the City's Lead Service Replacement Loan Program.

3.0 Financial Impact/Considerations

3.1 Tender Summary

The tender for the 2023 Infrastructure Renewal Program Quebec Street project closed on January 26, 2023. Seven contractors submitted tender prices as listed below, excluding HST. All tenders received include a contingency of \$500,000.00.

Table 1: Summary of submitted tender prices

Contractor	Tender Price Submitted
J-AAR Excavating Limited	\$6,336,365.87
L82 Construction Ltd	\$6,678,297.24
CH Excavating (2013)	\$6,775,879.44
Blue-Con Construction	\$6,850,000.00
Bre-Ex Construction Inc	\$7,448,871.35
Seawaves Development Services Inc	\$7,738,546.50
291 Construction Ltd	\$8,555,067.48

All tenders have been checked by the Environment and Infrastructure Department and Archibald Gray & McKay Engineering Ltd. No mathematical errors were found. The results of the tendering process indicate a competitive process. The tender estimate prior to tender opening was \$7,122,000.00, including contingency, excluding HST.

3.2 Consulting Engineer Services

Archibald Gray & McKay Engineering Ltd. was awarded the detailed design of the Quebec Street project by Council on June 22, 2021. Due to the consultant's knowledge and positive performance on the detailed design, the consultant was invited to submit a proposal to carry out the resident inspection and contract administration for the project. Archibald Gray & McKay Engineering Ltd. submitted a proposal which includes an upset limit of \$534,600.00, including 10% contingency, excluding HST.

Staff have reviewed the fee submission, 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 Infrastructure Renewal Program assignments of similar scope. The continued use of Archibald Gray & McKay Engineering Ltd. on this project for construction administration 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 addition to the financial advantage, there are also accountability and risk reduction benefits. The City requires a Professional Engineer to seal all construction drawings. These 'record drawings' are created based on field verification and ongoing involvement by the Professional Engineer. This requirement promotes consultant accountability for the design of these projects, and correspondingly, reduces the City's overall risk exposure. Consequently, the continued use of the consultant who created and sealed the design drawings is required in order to maintain this accountability process and to manage risk.

In accordance with Section 15.2 (g) of the City of London's Procurement of Goods and Services Policy, civic administration is recommending that Archibald Gray & McKay Engineering Ltd. be authorized to carry out the remainder of engineering services, as construction administrators, for a fee estimate of \$534,600.00, including 10% contingency, excluding HST. These fees are associated with the construction resident inspection and contract administration services to ensure that the City receives the product specified and associated value. The approval of this work will bring the total engineering services for this project to \$952,600.00, including 10% contingency, excluding HST, for both detailed design and construction administration.

3.3 Operating Budget Impacts

Additional annual sewer, water, and transportation operating costs attributed to new infrastructure installation are summarized in the following table.

Table 2: Summary of annual operating cost increase

Division	Rationale	Annual Operating Cost Increase
Sewer Operations		\$0.00
Water Operations		\$0.00
Transportation Operations – Bike Lanes	970 meters of new bike lanes	\$8,778.50
Total		\$8,778.50

Conclusion

Civic Administration has reviewed the tender bids and recommends J-AAR Excavating Limited be awarded the construction contact for the 2023 Infrastructure Renewal Program Quebec Street project.

Archibald Gray & McKay Engineering Ltd. 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 resident inspection and contract administration services as it is in the best financial and technical interests of the City.

Prepared by: Kyle Chambers, P.Eng.
Division Manager, Sewer Engineering

Submitted by: Ashley Rammeloo, MMSc, P.Eng.
Director, Water, Wastewater, and Stormwater

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

cc: D. Gough, K. Johnson, A. Rozentals

Appendix 'A' – Sources of Financing

Appendix 'B' – Location Map

Appendix "A"

#23053

March 21, 2023
(Award Contract)

Chair and Members
Civic Works Committee

RE: RFT-2022-315 - 2023 Infrastructure Renewal Program - Quebec Street
(Subledger WS22C00G)
Capital Project ES241422 - Infrastructure Renewal Program - Sanitary Sewers
Capital Project ES543619 - Storm Sewer Built Area Works
Capital Project EW376523 - Infrastructure Renewal Program - Watermains
Capital Project TS144622 - Road Networks Improvements (Main)
Capital Project TS173919 - Active Transportation
Capital Project TS406722 - Traffic Signals - Maintenance
Capital Project TS512322 - Street Light Maintenance
J-AAR Excavating Limited - \$6,336,365.87 (excluding HST)
Archibald Gray & McKay Engineering Ltd. - \$534,600.00 (excluding HST)

Finance Supports Report on the Sources of Financing:

Finance Supports confirms that the cost of this project can be accommodated within the financing available for it in the Capital Budget and that, subject to the approval of the recommendation of the Deputy City Manager, Environment and Infrastructure, the detailed source of financing is:

Estimated Expenditures	Approved Budget	Committed To Date	This Submission	Balance for Future Work
ES241422 - Infrastructure Renewal Program - Sanitary Sewers				
Engineering	2,000,000	1,134,021	148,176	717,803
Construction	10,409,529	4,613,199	1,756,265	4,040,065
City Related Expenses	25,000	630	0	24,370
ES241422 Total	12,434,529	5,747,850	1,904,441	4,782,238
ES543619 - Storm Sewer Built Area Works				
Engineering	913,886	469,946	189,163	254,777
Construction	25,846,206	5,329,150	2,242,055	18,275,001
ES543619 Total	26,760,092	5,799,096	2,431,218	18,529,778
EW376523 - Infrastructure Renewal Program - Watermains				
Engineering	2,500,000	245,654	112,309	2,142,037
Construction	15,787,375	2,797,011	1,331,138	11,659,226
EW376523 Total	18,287,375	3,042,665	1,443,447	13,801,263
TS144622 - Road Networks Improvements (Main)				
Engineering	1,000,000	274,781	51,482	673,737
Construction	12,234,025	3,325,967	610,190	8,297,868
City Related Expenses	241	241	0	0
TS144622 Total	13,234,266	3,600,989	661,672	8,971,605
TS173919 - Active Transportation				
Engineering	1,193,203	1,010,413	16,620	166,170
Construction	12,484,865	8,078,901	196,999	4,208,965
City Related Expenses	12,418	12,418	0	0
TS173919 Total	13,690,486	9,101,732	213,619	4,375,135

Appendix "A"

#23053

March 21, 2023
(Award Contract)

Chair and Members
Civic Works Committee

RE: RFT-2022-315 - 2023 Infrastructure Renewal Program - Quebec Street
(Subledger WS22C00G)

Estimated Expenditures continued	Approved Budget	Committed To Date	This Submission	Balance for Future Work
TS406722 - Traffic Signals - Maintenance				
Engineering	500,000	313,763	17,857	168,380
Construction	3,378,531	0	211,644	3,166,887
Traffic Signals	464,170	464,170	0	0
TS406722 Total	4,342,701	777,933	229,501	3,335,267
TS512322 - Street Light Maintenance				
Engineering	300,000	104,586	8,404	187,010
Construction	2,510,852	0	99,597	2,411,255
TS512322 Total	2,810,852	104,586	108,001	2,598,265
Total Expenditures	\$91,560,301	\$28,174,851	\$6,991,899	\$56,393,551
Sources of Financing				
ES241422 - Infrastructure Renewal Program - Sanitary Sewers				
Capital Sewer Rates	7,934,529	5,747,850	1,904,441	282,238
Drawdown from Sewage Works Renewal Reserve Fund	2,250,000	0	0	2,250,000
Canada Community-Building Fund	2,250,000	0	0	2,250,000
ES241422 Total	12,434,529	5,747,850	1,904,441	4,782,238
ES543619 - Storm Sewer Built Area Works				
Drawdown from Sewage Works Renewal Reserve Fund	11,908,241	4,256,217	435,188	7,216,836
Drawdown from City Services - Stormwater Reserve Fund (Development Charges) (Note 2)	14,851,851	1,542,879	1,996,030	11,312,942
ES543619 Total	26,760,092	5,799,096	2,431,218	18,529,778
EW376523 - Infrastructure Renewal Program - Watermains				
Capital Water Rates	12,193,444	3,042,665	1,443,447	7,707,332
Drawdown from Water Works Renewal Reserve Fund	4,668,931	0	0	4,668,931
Canada Community-Building Fund	1,425,000	0	0	1,425,000
EW376523 Total	18,287,375	3,042,665	1,443,447	13,801,263
TS144622 - Road Networks Improvements (Main)				
Drawdown from Transportation Renewal Reserve Fund	2,595,185	0	0	2,595,185
Canada Community-Building Fund	10,639,081	3,600,989	661,672	6,376,420
TS144622 Total	13,234,266	3,600,989	661,672	8,971,605

Appendix "A"

#23053

March 21, 2023
(Award Contract)

Chair and Members
Civic Works Committee

RE: RFT-2022-315 - 2023 Infrastructure Renewal Program - Quebec Street
(Subledger WS22C00G)

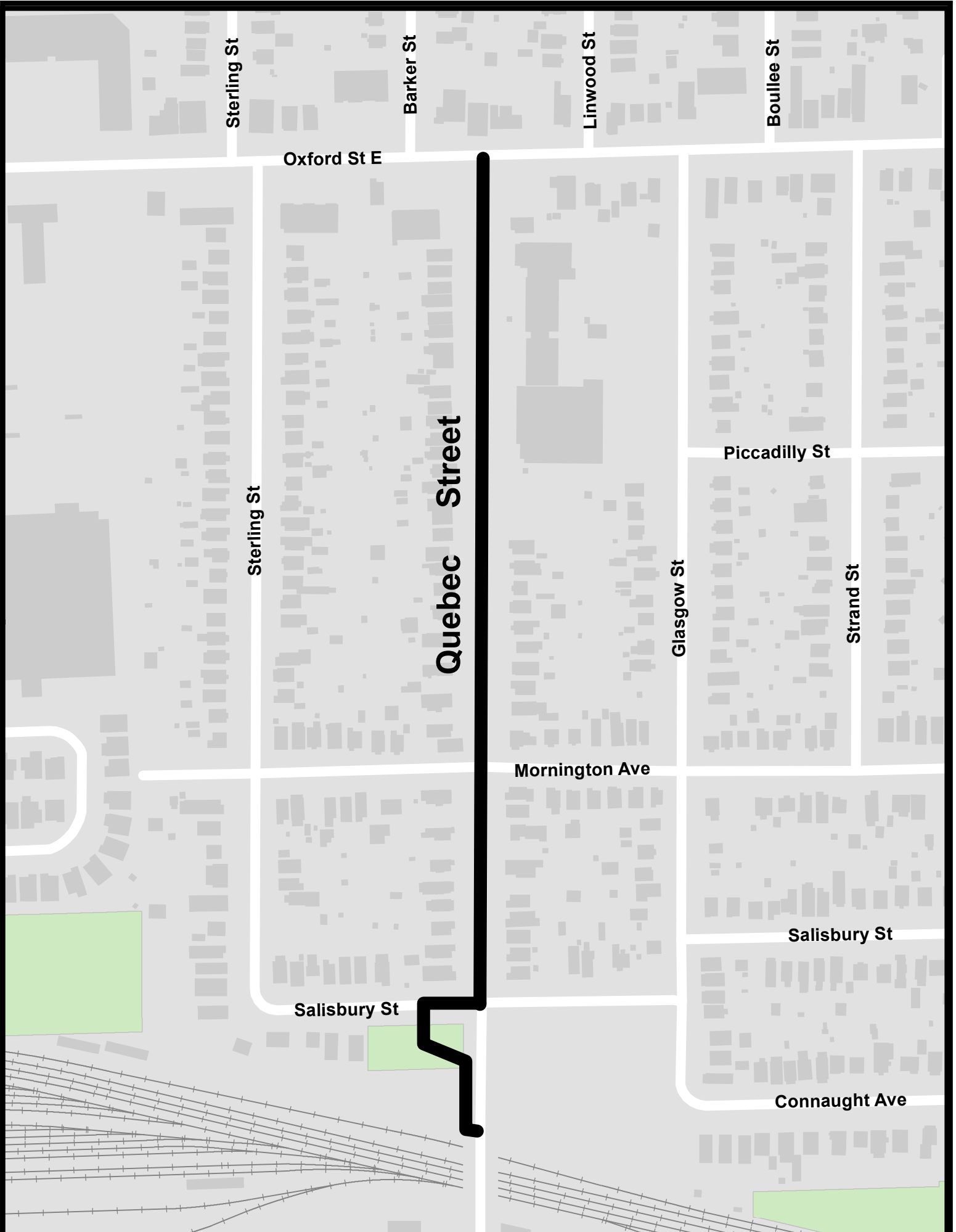
Sources of Financing continued	Approved Budget	Committed To Date	This Submission	Balance for Future Work
TS173919 - Active Transportation				
Capital Levy	391,425	391,425	0	0
Debenture By-law No. W.-5654-291 (Note 1)	6,421,581	4,196,651	103,577	2,121,353
Drawdown from City Services - Roads Reserve Fund (Development Charges) (Note 2)	6,822,456	4,458,632	110,042	2,253,782
Other Contributions	55,024	55,024	0	0
TS173919 Total	13,690,486	9,101,732	213,619	4,375,135
TS406722 - Traffic Signals - Maintenance				
Capital Levy	3,742,553	777,933	229,501	2,735,119
Drawdown from Transportation Renewal Reserve Fund	600,148	0	0	600,148
TS406722 Total	4,342,701	777,933	229,501	3,335,267
TS512322 - Street Light Maintenance				
Capital Levy	2,467,863	104,586	108,001	2,255,276
Drawdown from Transportation Renewal Reserve Fund	342,989	0	0	342,989
TS512322 Total	2,810,852	104,586	108,001	2,598,265
Total Financing	\$91,560,301	\$28,174,851	\$6,991,899	\$56,393,551
Financial Note: Engineering				
	ES241422	ES543619E	EW376523	TS144622
Contract Price	\$145,613	\$185,891	\$110,366	\$50,591
Add: HST @13%	18,930	24,166	14,348	6,577
Total Contract Price Including Taxes	164,543	210,057	124,714	57,168
Less: HST Rebate	-16,367	-20,894	-12,405	-5,686
Net Contract Price	\$148,176	\$189,163	\$112,309	\$51,482
Financial Note: Engineering continued				
	TS173919	TS406722	TS512322	Total
Contract Price	\$16,333	\$17,548	\$8,258	\$534,600
Add: HST @13%	2,123	2,281	1,074	\$69,499
Total Contract Price Including Taxes	18,456	19,829	9,332	604,099
Less: HST Rebate	-1,836	-1,972	-928	-\$60,088
Net Contract Price	\$16,620	\$17,857	\$8,404	\$544,011
Financial Note: Construction				
	ES241422	ES543619E	EW376523	TS144622
Contract Price	\$1,725,889	\$2,203,277	\$1,308,115	\$599,636
Add: HST @13%	224,366	286,426	170,055	77,953
Total Contract Price Including Taxes	1,950,255	2,489,703	1,478,170	677,589
Less: HST Rebate	-193,990	-247,648	-147,032	-67,399
Net Contract Price	\$1,756,265	\$2,242,055	\$1,331,138	\$610,190
Financial Note: Construction continued				
	TS173919	TS406722	TS512322	Total
Contract Price	\$193,592	\$207,983	\$97,874	\$6,336,366
Add: HST @13%	25,167	27,038	12,724	\$823,729
Total Contract Price Including Taxes	218,759	235,021	110,598	7,160,095
Less: HST Rebate	-21,760	-23,377	-11,001	-\$712,207
Net Contract Price	\$196,999	\$211,644	\$99,597	\$6,447,888
Total Engineering and Construction	\$6,991,899			

Note 1: Note to City Clerk: The City Clerk be authorized to increase Debenture By-law No. W.-5654-291 by \$1,469,979 from \$4,951,602 to \$6,421,581.

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: There will be additional annual operating costs of \$8,778.50 for Transportation Operations - Bike Lanes.

APPENDIX 'B'



LOCATION MAP



2023 Infrastructure Renewal Program
 Quebec Street from Oxford Street East to CP Tracks

Map Produced by
 the Sewer
 Engineering
 Division
 February 7, 2023 CM



London
 CANADA

300 Dufferin Avenue,
 PO Box 5035
 London, Ontario
 N6A 4L9
 www.London.ca

Project Area