

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-2022-319
2023 Infrastructure Renewal Program
Paardeberg Crescent, Flanders Row and Rhine Avenue

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 Paardeberg Crescent, Flanders Row and Rhine Avenue project:

- (a) the bid submitted by J-AAR Excavating Limited at its tendered price of \$6,767,602.20, excluding HST, for the Paardeberg Crescent, Flanders Row and Rhine Avenue project, **BE ACCEPTED**; it being noted that the bid submitted by J-AAR Excavating Limited was the lowest of five bids received and meets the City's specifications and requirements in all areas;
- (b) Development Engineering (London) Limited, **BE AUTHORIZED** to carry out the resident inspection and contract administration for the Paardeberg Crescent, Flanders Row and Rhine Avenue project in accordance with the estimate, on file, at an upset amount of \$589,583.50, 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-2022-319); 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 Paardeberg Crescent, Flanders Row and Rhine Avenue project. This project will reconstruct the full length of Paardeberg Crescent, Flanders Row and Rhine Avenue. A location map depicting the approximate limits of the reconstruction project is provided in Appendix 'B'.

Context

Paardeberg Crescent, Flanders Row and Rhine Avenue 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 includes the decommissioning and removal of the Paardeberg sanitary pumping station, replacing it with a gravity sanitary sewer system. This project includes the construction of new sidewalks on one side of Paardeberg Crescent, Flanders Row and Rhine Avenue.

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 – October 20, 2020, Appointment of Consulting Engineers for the Infrastructure Renewal Program, Recommendation a) (ii);

2.0 Discussion and Considerations

2.1 Work Description

The Paardeberg Crescent, Flanders Row and Rhine Avenue project includes the following work details:

- Watermain replacement including water service renewal to the property line;
- Sanitary sewer replacement;
- New storm sewer system;
- Partial replacement of existing private drain connections;
- Decommissioning and removal of the sanitary pumping station;
- Street light replacement;
- New sidewalks on one side of Paardeberg Crescent, Rhine Avenue, and Flanders Row;
- New concrete curb and gutter;
- Full road reconstruction including new asphalt; and
- New green infrastructure (LIDs).

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

2.2 Public Consultation

The initial project notice (dated May 6, 2021) was mailed out 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 out 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 Paardeberg Crescent, Flanders Row and Rhine Avenue project closed on February 9, 2023. Five contractors submitted tender prices as listed below, excluding HST. All tenders received include a contingency of \$600,000.00.

Table 1: Summary of submitted tender prices

Contractor	Tender Price Submitted
J-AAR Excavating Limited	\$6,767,602.20
Blue-Con Construction	\$6,921,921.00
291 Construction Ltd	\$7,015,910.80
CH Excavating (2013)	\$7,645,576.61
Seawaves Development Services Inc	\$8,833,281.35

All tenders have been checked by the Environment and Infrastructure Department and Development Engineering (London) Limited. No mathematical errors were found. The results of the tendering process indicate a competitive process. The tender estimate prior to tender opening was \$6,754,212.00, including contingency, excluding HST.

3.2 Consulting Engineer Services

Development Engineering (London) Limited was awarded the detailed design of the Paardeberg Crescent, Flanders Row and Rhine Avenue project by Council on October 20, 2020. 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. Development Engineering (London) Limited submitted a proposal which includes an upset limit of \$589,583.50, 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 Development Engineering (London) Limited 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 Development Engineering

(London) Limited be authorized to carry out the remainder of engineering services, as construction administrators, for a fee estimate of \$589,583.50, 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 \$809,319.50, 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	New storm sewers	\$725.00
Water Operations		\$0.00
Transportation Operations	New sidewalks	\$1,818.00
Total		\$2,543.00

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 Paardeberg Crescent, Flanders Row and Rhine Avenue project.

Development Engineering (London) Limited 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"

#23054

March 21, 2023
(Award Contract)

Chair and Members
Civic Works Committee

RE: RFT-2022-319 - 2023 Infrastructure Renewal Program - Paardeberg Crescent, Flanders Row and Rhine Avenue
(Subledger WS22C00J)

Capital Project ES241422 - Infrastructure Renewal Program - Sanitary Sewers
 Capital Project ES254023 - Infrastructure Renewal Program - Stormwater Sewers & Treatment
 Capital Project ES515023 - Pumping Station Optimization & Renewal
 Capital Project EW376523 - Infrastructure Renewal Program - Watermains
 Capital Project TS301423 - Road Network Improvements (Local and Rural)
 Capital Project TS512322 - Street Light Maintenance
 J-AAR Excavating Limited - \$6,767,602.20 (excluding HST)
 Development Engineering (London) Limited - \$589,583.50 (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 This Date	This Submission	Balance for Future Work
ES241422 - Infrastructure Renewal Program - Sanitary Sewers				
Engineering	2,000,000	1,282,197	129,152	588,651
Construction	10,409,529	6,369,464	1,482,494	2,557,571
City Related Expenses	25,000	630	0	24,370
ES241422 Total	12,434,529	7,652,291	1,611,646	3,170,592
ES254023 - Infrastructure Renewal Program - Stormwater Sewers and Treatment				
Engineering	2,000,000	0	81,591	1,918,409
Construction	11,212,878	0	936,550	10,276,328
City Related Expenses	100,000	0	0	100,000
ES254023 Total	13,312,878	0	1,018,141	12,294,737
ES515023 - Pumping Station Optimization and Renewal				
Engineering	20,000	0	2,171	17,829
Construction	430,972	0	24,929	406,043
ES515023 Total	450,972	0	27,100	423,872
EW376523 - Infrastructure Renewal Program - Watermains				
Engineering	2,500,000	357,963	108,103	2,033,934
Construction	15,787,375	4,128,149	1,240,877	10,418,349
EW376523 Total	18,287,375	4,486,112	1,348,980	12,452,283
TS301423 - Road Network Improvements				
Engineering	252,689	0	252,689	0
Construction	9,673,296	22,621	2,900,521	6,750,154
TS301423 Total	9,925,985	22,621	3,153,210	6,750,154
TS512322 - Street Light Maintenance				
Engineering	300,000	112,990	26,252	160,758
Construction	2,510,852	99,597	301,342	2,109,913
TS512322 Total	2,810,852	212,587	327,594	2,270,671
Total Expenditures	\$57,222,591	\$12,373,611	\$7,486,671	\$37,362,309

Appendix "A"

#23054

March 21, 2023
(Award Contract)

Chair and Members
Civic Works Committee

RE: RFT-2022-319 - 2023 Infrastructure Renewal Program - Paardeberg Crescent, Flanders Row and Rhine Avenue
(Subledger WS22C00J)

Sources of Financing	Approved Budget	Committed To Date	This Submission	Balance for Future Work
ES241422 - Infrastructure Renewal Program - Sanitary Sewers				
Capital Sewer Rates	7,934,529	7,652,291	282,238	0
Drawdown from Sewage Works Renewal Reserve Fund	2,250,000	0	0	2,250,000
Canada Community-Building Fund	2,250,000	0	1,329,408	920,592
ES241422 Total	12,434,529	7,652,291	1,611,646	3,170,592
ES254023 - Infrastructure Renewal Program - Stormwater Sewers and Treatment				
Capital Sewer Rates	1,242,500	0	1,018,141	224,359
Drawdown from Sewage Works Renewal Reserve Fund	9,820,378	0	0	9,820,378
Canada Community-Building Fund	2,250,000	0	0	2,250,000
ES254023 Total	13,312,878	0	1,018,141	12,294,737
ES515023 - Pumping Station Optimization and Renewal				
Capital Sewer Rates	450,972	0	27,100	423,872
EW376523 - Infrastructure Renewal Program - Watermains				
Capital Water Rates	12,193,444	4,486,112	1,348,980	6,358,352
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	4,486,112	1,348,980	12,452,283
TS301423 - Road Network Improvements				
Capital Levy	9,125,985	22,621	3,153,210	5,950,154
Drawdown from Transportation Renewal Reserve Fund	800,000	0	0	800,000
TS301423 Total	9,925,985	22,621	3,153,210	6,750,154
TS512322 - Street Light Maintenance				
Capital Levy	2,467,863	212,587	327,594	1,927,682
Drawdown from Transportation Renewal Reserve Fund	342,989	0	0	342,989
TS512322 Total	2,810,852	212,587	327,594	2,270,671
Total Financing	\$57,222,591	\$12,373,611	\$7,486,671	\$37,362,309

Appendix "A"

#23054

March 21, 2023
(Award Contract)

Chair and Members
Civic Works Committee

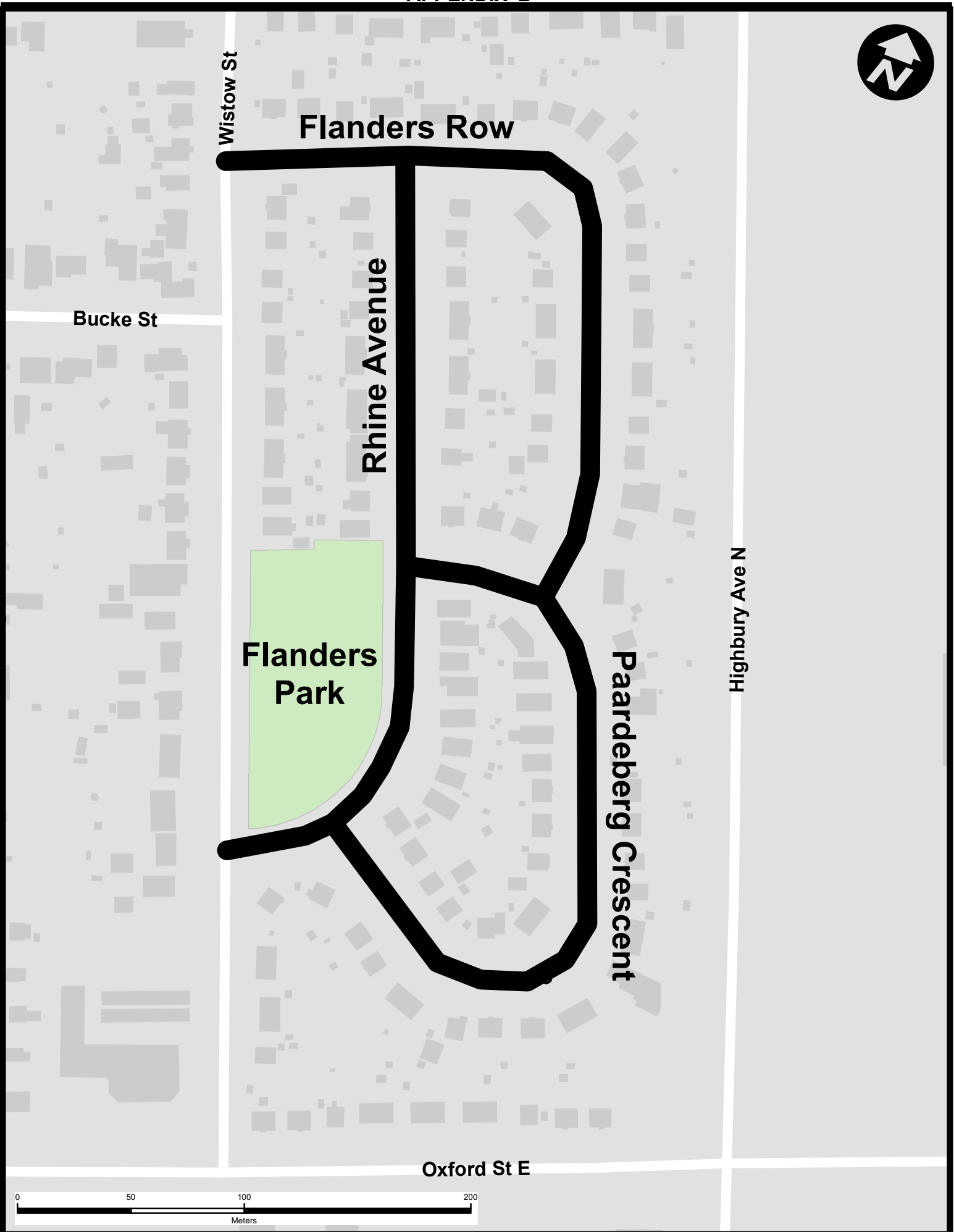
RE: RFT-2022-319 - 2023 Infrastructure Renewal Program - Paardeberg Crescent, Flanders Row and Rhine Avenue
(Subledger WS22C00J)

	Approved Budget	Committed To Date	This Submission	Balance for Future Work
Financial Note: Engineering	ES241422	ES254023	ES515023	EW376523
Contract Price	\$126,919	\$80,180	\$2,134	\$106,234
Add: HST @13%	16,499	10,423	277	13,810
Total Contract Price Including Taxes	143,418	90,603	2,411	120,044
Less: HST Rebate	-14,266	-9,012	-240	-11,941
Net Contract Price	<u>\$129,152</u>	<u>\$81,591</u>	<u>\$2,171</u>	<u>\$108,103</u>
Financial Note: Engineering continued	TS301423	TS512322	Total	
Contract Price	\$248,319	\$25,798	\$589,584	
Add: HST @13%	32,281	3,354	76,644	
Total Contract Price Including Taxes	280,600	29,152	666,228	
Less: HST Rebate	-27,911	-2,900	-66,270	
Net Contract Price	<u>\$252,689</u>	<u>\$26,252</u>	<u>\$599,958</u>	
Financial Note: Construction	ES241422	ES254023	ES515023	EW376523
Contract Price	\$1,456,853	\$920,351	\$24,498	\$1,219,415
Add: HST @13%	189,391	119,646	3,185	158,524
Total Contract Price Including Taxes	1,646,244	1,039,997	27,683	1,377,939
Less: HST Rebate	-163,750	-103,447	-2,754	-137,062
Net Contract Price	<u>\$1,482,494</u>	<u>\$936,550</u>	<u>\$24,929</u>	<u>\$1,240,877</u>
Financial Note: Construction continued	TS301423	TS512322	Total	
Contract Price	\$2,850,355	\$296,130	\$6,767,602	
Add: HST @13%	370,546	38,497	879,789	
Total Contract Price Including Taxes	3,220,901	334,627	7,647,391	
Less: HST Rebate	-320,380	-33,285	-760,678	
Net Contract Price	<u>\$2,900,521</u>	<u>\$301,342</u>	<u>\$6,886,713</u>	
Total Engineering and Construction	<u>\$7,486,671</u>			

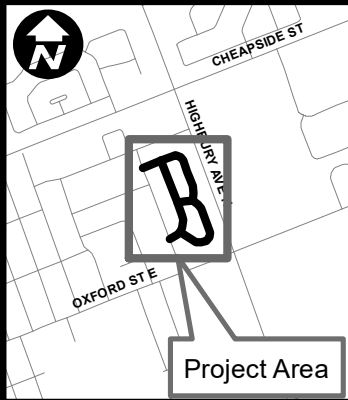
Note 1: There will be additional annual operating costs of \$725.00 for Sewer Operations and \$1,818.00 for Transportation Operations.

Jason Davies
Manager of Financial Planning & Policy

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LOCATION MAP



2023 Infrastructure Renewal Program

- Paardeberg Crescent from Rhine Avenue to Rhine Avenue
- Rhine Avenue from Flanders Row to Wistow Street
- Flanders Row from Wistow Street to Paardeberg Crescent

Project Area

Map Produced by
the Sewer
Engineering
Division
February 10, 2023 CM



London
CANADA

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