

## 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: RFT-2023-083 Traffic Signal Rebuilds for  
Wonderland Road South at Village Green Avenue and at  
Teepie Terrace – Irregular Result

**Date:** June 13, 2023

## Recommendation

That, on the recommendation of the Deputy City Manager, Environment & Infrastructure, the following actions **BE TAKEN** with respect to the Village Green Avenue at Wonderland Road South and Teepie Terrace at Wonderland Road South Traffic Signal Rebuild project (Tender RFT 2023-083):

- (a) The bid submitted by ERTH (Holdings) Inc., at its tendered price of \$941,478.00, excluding HST, **BE ACCEPTED** as per Section 8.5 a) iii) of the Procurement of Goods and Services Policy; it being noted that the bid submitted by ERTH (Holdings) Inc, was the only compliant bid of two bids received and meets the City's specifications and requirements;
- (b) the financing for this project **BE APPROVED** as set out in the Sources of Financing Report attached hereto, as Appendix A;
- (c) the Civic Administration **BE AUTHORIZED** to undertake all the administrative acts that are necessary in connection with this project;
- (d) the approvals given, herein, **BE CONDITIONAL** upon the Corporation entering into a formal contract for the material to be supplied and the work to be done relating to this project (RFT 2023-083); and,
- (e) the Mayor and the City Clerk **BE AUTHORIZED** to execute any contract or other documents, if required, to give effect to these recommendations.

## Linkage to the Corporate Strategic Plan

Municipal Council's 2023-2027 Strategic Plan identifies "Mobility and Transportation" as a strategic area of focus. The following report supports the Strategic Plan by building infrastructure that provides safe, integrated, connected, reliable, and efficient transportation choices.

## Analysis

### 1.0 Background Information

#### 1.1 Purpose

This report recommends award of a construction tender to ERTH (Holdings) Inc. for reconstruction of traffic signals at the intersections of Village Green Avenue at Wonderland Road South and Teepie Terrace at Wonderland Road South. The results of this tender process are irregular due to the receipt of only one compliant bid.

## 1.2 Background

The continued infrastructure renewal of City assets is necessary for the safe and reliable operation of the London mobility network. Within the project area, Wonderland Road is the major street with both intersections connecting vital neighbourhoods to local businesses that line Wonderland Road.

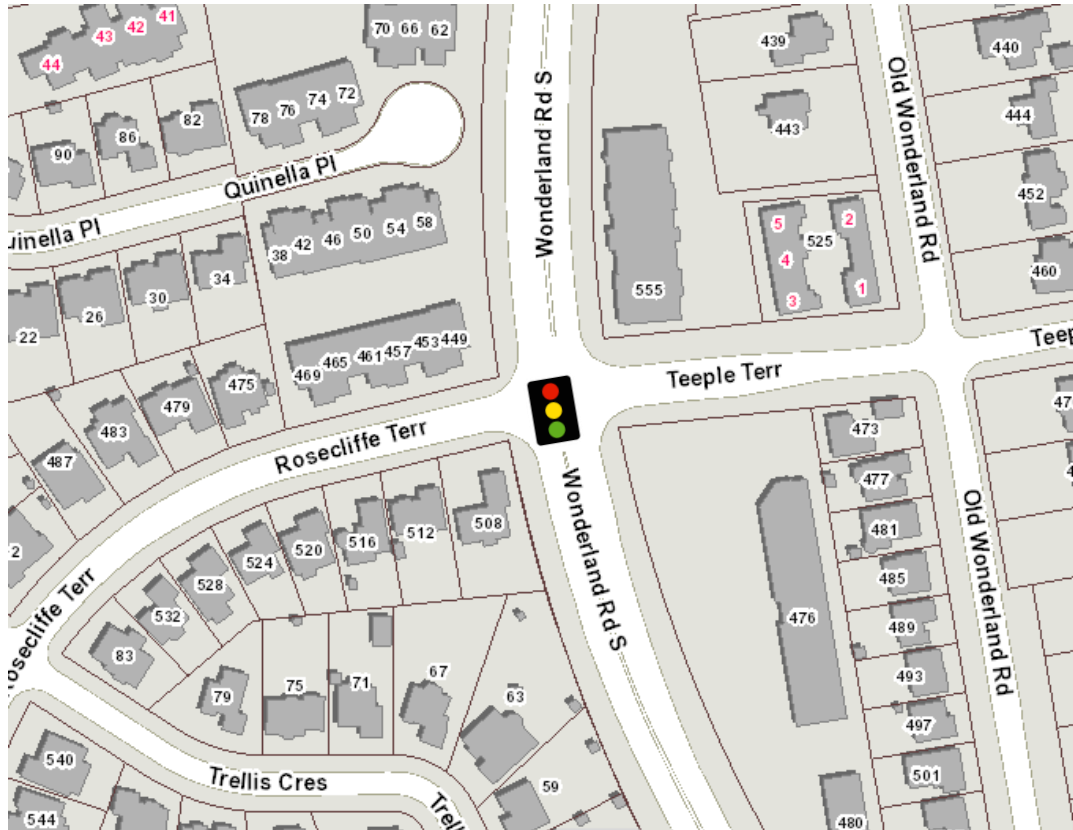


Figure 1: Teepie Terrace and Wonderland Road South Site Location

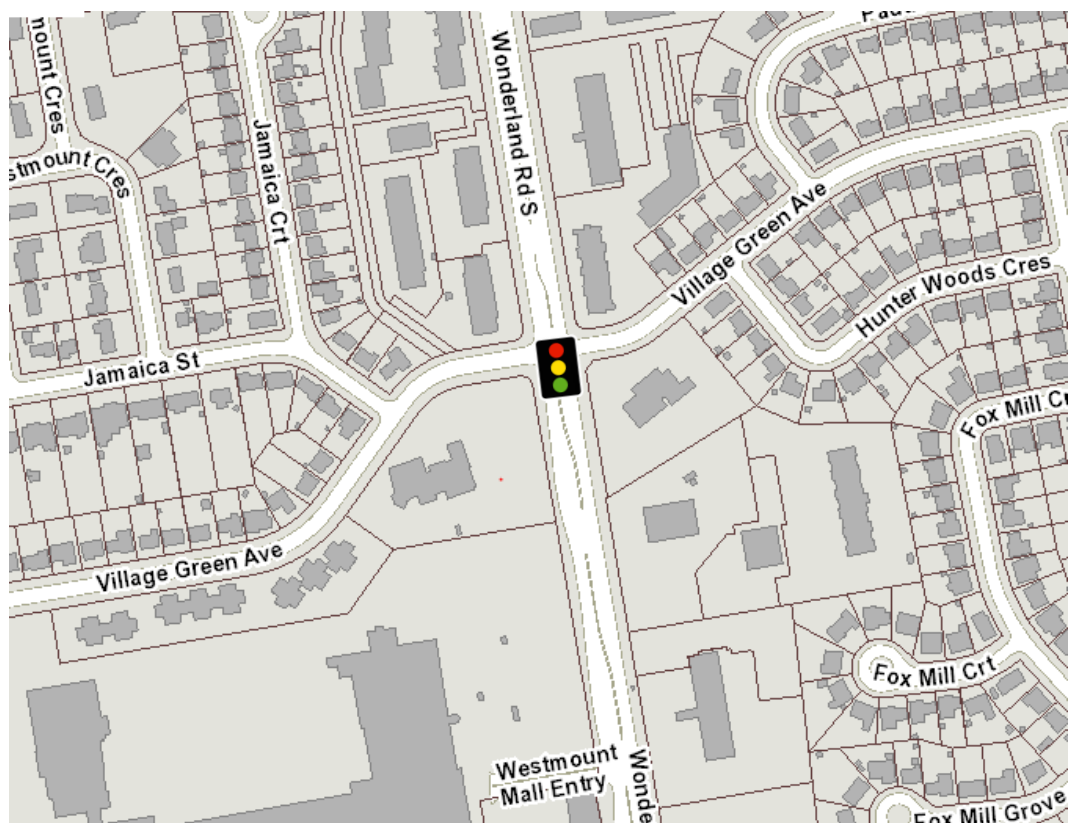


Figure 2: Village Green Avenue and Wonderland Road South Site Location

## 2.0 Discussion and Considerations

### 2.1 Project Description

The recommended improvements to this intersection will enhance the functionality and safety of the intersection by better accommodating the large volume of vehicles, cyclists, and pedestrians, and incorporating the latest design standards.

Improvements to the subject intersection will include:

- Replacing aging street lighting and traffic signals;
- Installing new concrete sidewalks, curb, and gutter; and,
- Accessibility improvements to meet current Accessibility for Ontarians with Disabilities Act (AODA) standards.

### 2.2 Construction Schedule

The traffic signal rebuilds at these two Wonderland Road South intersections are planned to begin in Summer 2023 and will require the full construction season, with some planned carry-over work in 2024.

### 2.3 Procurement Process

The request for tenders (RFT) was published on March 17, 2023. Tenders for the traffic signal rebuild project (RFT 2023-083) were opened on March 17, 2023. Two contractors submitted bids; however one submission did not meet the contract requirements and was therefore disqualified. The one qualified bid is shown below, noting the price includes a contingency, and excludes HST:

<b>Contractor</b>	<b>Company Name</b>	<b>Tender Price Submitted</b>
1.	ERTH (Holdings) Inc.	\$941,478.00

When receiving only one compliant bid submission the result is considered irregular as per Section 8.10 (b) of the Procurement of Goods and Services Policy whereby the specifications of a competitive bid were not met by two or more suppliers. As per Section 13.2 b) and 8.5 a) iii) of the Procurement of Goods and Services Policy, Committee and City Council must approve award of contracts when a tender result exceeds \$100K and is irregular.

The only submitted valid bid by ERTH (Holdings) Inc. is 26% higher than the tender estimate that was prepared prior to the tender opening. The tender results indicate an increase due to time and material inflation from the construction industry and represent the increasing industry costs for a project of this size, scope, and complexity based on current market and supply chain conditions. This tender includes a \$70,000 contingency allowance (excluding HST).

Funds for this tender award are available in the Transportation and Mobility capital budget.

### 3.0 Financial Impact / Considerations

#### 3.1 Operating Cost

Anticipated annual operating costs for the Traffic Engineering service area associated with additional infrastructure is summarized below:

Location	Rationale	Increase in Annual Operating Cost
Teeple Terrace at Wonderland Road S	AODA pedestrian buttons, radar detection, uninterruptable power supply, pavement markings	\$9,264
Village Green Avenue at Wonderland Road S	AODA pedestrian buttons, radar detection, uninterruptable power supply, pavement markings	\$12,538

### Conclusion

Civic Administration has reviewed the tender bids and recommends that the construction contract for the Teeple Terrace at Wonderland Road S and Village Green Avenue at Wonderland Road S traffic signal rebuild project be awarded to ERTH (Holdings) Inc. in the amount of \$941,478.00 including contingency and excluding HST, in accordance with Section 8.5 a) iii) of the City of London's Procurement of Goods and Services Policy. This tender resulted in an irregular result due to the receipt of only one compliant bid.

Lifecycle renewal of the traffic signals at Teeple Terrace at Wonderland Road South and Village Green Avenue at Wonderland Road South is necessary to maintain safe and reliable traffic operations in this important corridor.

**Prepared by:** Shane Maguire, P.Eng.  
Division Manager, Traffic Engineering

**Submitted by:** Doug MacRae, P.Eng., MPA  
Director, Transportation & Mobility

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

Attach: Appendix A – Source of Financing

cc: Steven Mollon, City of London  
Laura Steffler, ERTH (Holdings) Inc.

**Appendix "A"**

#23116

June 13, 2023

(Award Contract)

Chair and Members

Civic Works Committee

RE: RFT-2023-083 Traffic Signal Rebuild for Wonderland Road South at Village Green Avenue and at Teeple Terrace - Irregular Result (Subledger TF210019)

Capital Project TS406722 - Traffic Signals - Maintenance

Capital Project TS512322 - Street Light Maintenance

ERTH (Holdings) Inc. - \$941,478.00 (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:

<b>Estimated Expenditures</b>	<b>Approved Budget</b>	<b>Committed To Date</b>	<b>This Submission</b>	<b>Balance for Future Work</b>
<b>TS406722 - Traffic Signals - Maintenance</b>				
Engineering	559,494	559,494	0	0
Construction	2,597,284	760,597	718,536	1,118,151
Traffic Signals	1,185,923	1,185,923	0	0
<b>TS406722 Total</b>	<b>4,342,701</b>	<b>2,506,014</b>	<b>718,536</b>	<b>1,118,151</b>
<b>TS512322 - Street Light Maintenance</b>				
Engineering	300,000	228,093	0	71,907
Construction	2,750,852	798,384	239,512	1,712,956
<b>TS512322 Total</b>	<b>3,050,852</b>	<b>1,026,477</b>	<b>239,512</b>	<b>1,784,863</b>
<b>Total Expenditures</b>	<b>\$7,393,553</b>	<b>\$3,532,491</b>	<b>\$958,048</b>	<b>\$2,903,014</b>

**Sources of Financing**

<b>TS406722 - Traffic Signals - Maintenance</b>				
Capital Levy	3,742,553	2,506,014	718,536	518,003
Drawdown from Transportation Renewal Reserve Fund	600,148	0	0	600,148
<b>TS406722 Total</b>	<b>4,342,701</b>	<b>2,506,014</b>	<b>718,536</b>	<b>1,118,151</b>
<b>TS512322 - Street Light Maintenance</b>				
Capital Levy	2,707,863	1,026,477	239,512	1,441,874
Drawdown from Transportation Renewal Reserve Fund	342,989	0	0	342,989
<b>TS512322 Total</b>	<b>3,050,852</b>	<b>1,026,477</b>	<b>239,512</b>	<b>1,784,863</b>
<b>Total Financing</b>	<b>\$7,393,553</b>	<b>\$3,532,491</b>	<b>\$958,048</b>	<b>\$2,903,014</b>

**Financial Note**

	<b>TS406722</b>	<b>TS512322</b>	<b>Total</b>
Contract Price	706,109	235,369	941,478
Add: HST @13%	91,794	30,598	122,392
Total Contract Price Including Taxes	797,903	265,967	1,063,870
Less: HST Rebate	-79,367	-26,455	-105,822
<b>Net Contract Price</b>	<b>\$718,536</b>	<b>\$239,512</b>	<b>\$958,048</b>

**Note 1:** There will be additional annual operating costs of \$9,264 for Teeple Terrace at Wonderland Road South and \$12,538 for Village Green Avenue at Wonderland Road South.