

TO:	CHAIR AND MEMBERS CIVIC WORKS COMMITTEE MEETING ON APRIL 11, 2017
FROM:	KELLY SCHERR, P. ENG., MBA, FEC MANAGING DIRECTOR, ENVIRONMENTAL & ENGINEERING SERVICES & CITY ENGINEER
SUBJECT:	CONTRACT AWARD: TENDER NO. 17-20 2017 INFRASTRUCTURE RENEWAL PROGRAM BALMORAL AVENUE, BRANT STREET, AND DURHAM STREET RECONSTRUCTION PROJECT

RECOMMENDATION

That, on the recommendation of the Managing Director, Environmental & Engineering Services & City Engineer, the following actions **BE TAKEN** with respect to the award of contracts for the 2017 Infrastructure Renewal Program Balmoral Avenue, Brant Street, and Durham Street Reconstruction Project:

- (a) the bid submitted by Omega Contractors Inc. at its tendered price of \$3,016,406.94, excluding HST, for the 2017 Infrastructure Renewal Program Contract 8, Balmoral Avenue, Brant Street, and Durham Street Reconstruction Project, **BE ACCEPTED**; it being noted that the bid submitted by Omega Contractors Inc. was the lowest of four bids received and meets the City's specifications and requirements in all areas;
- (b) Archibald, Gray & McKay Engineering Ltd. (AGM), **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 \$219,340.00 excluding HST, based upon the Fee Guideline for Professional Engineering Services, recommended by the Ontario Society of Professional Engineers; and in accordance with Section 15.2 (g) of the City of London's Procurement of Goods and Services Policy, noting that this firm completed the engineering design for this project;
- (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 (Tender 17-20); and
- (g) the Mayor and City Clerk **BE AUTHORIZED** to execute any contract or other documents, if required, to give effect to these recommendations.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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Appointment of Consulting Engineers, Infrastructure Renewal Program 2017-2018, (Civic Works Committee, June 8, 2016, Agenda Item # 4.

2015-2019 STRATEGIC PLAN

The 2015 – 2019 Strategic Plan identifies this objective under Building a Sustainable City; 1B – Manage and improve our water, wastewater and stormwater infrastructure and services;

BACKGROUND

Purpose:

This report recommends award of a tender to a contractor and continuation of consulting services for the reconstruction of:

- Balmoral Avenue (from Oxford Street East to St James Street)
- Brant Street (from Balmoral Avenue to Elliott Street)
- Durham Street (from Oxford Street East to Brant Street)

A Project Location map is included for reference in Appendix B.

Infrastructure replacement needs have been coordinated within the Environmental and Engineering Services Department with support from Planning and Development for efficient use of funds during construction. The project budget has been included in the approved 2017 Wastewater & Treatment, Water and Transportation Capital Works Budgets.

Discussion:

This Infrastructure Renewal project includes the elimination of combined sewers (on Balmoral Avenue and a portion of Brant Street), installation of sanitary and new storm sewers, including private drain connections as required, replacement of watermain and individual water services to property line where applicable, and full road reconstruction, including new asphalt, curb and gutter and sidewalks.

Balmoral Avenue, Brant Street, and Durham Street have each been identified as a high priority in the replacement programs due to the poor condition of the municipal infrastructure built in various phases from 1939 to 1958. Poorly rated combined sewers exist on Balmoral Avenue and portions of Brant Street. Existing storm sewers on Brant Street are undersized. There is no storm sewer on Durham Street. Watermain is 1940's cast iron with potential lead services.

A Public Information Center (PIC) was held on January 19, 2017 for all owners and residents within and immediately bordering the project area to address questions and concerns.

Service Replacement:

In conjunction with the construction of this Capital Works Project, the City is administering the Private Drain Connection (PDC) program, which allows property owners within the projects limits an opportunity to voluntarily replace their PDC's at a subsidized cost under the authority of City By-laws. As part of this project, the water service connection will be replaced to the property line at the City's cost and the property owner may elect to replace their private side connection at their own cost. Homeowners may be eligible to participate in the Lead Service Extension Replacement Loan Program.

Tender Summary:

Tenders for the 2017 Infrastructure Renewal Program Contract 8, Balmoral Avenue, Brant Street, and Durham Street Reconstruction Project were opened on March 1, 2017. Four (4) contractors submitted tender prices as listed below, excluding HST.

CONTRACTOR		TENDER PRICE SUBMITTED
1.	Omega Contractors Inc.	\$3,016,406.94
2.	C.H. Excavating	\$3,078,466.30
3.	L82 Construction Ltd.	\$3,167,778.20
4.	Blue-Con Construction	\$3,259,936.26

All tenders have been checked by the Environmental and Engineering Services Department and the City's consultant, AGM. No mathematical errors were found.

The tender estimate just prior to tender opening was \$3,004,480.00, excluding HST. All tenders include a contingency allowance of \$200,000.00.

Additional annual sewer and water operating costs of \$400.00 and \$375.00 respectively are attributed to new infrastructure installation.

Consulting Services:

AGM was awarded the detailed design of the project by Council on June 14, 2016. Due to the consultant's knowledge and positive performance on the project, the consultant was invited to submit a proposal to carry out the contract administration and resident supervision. Staff have reviewed the fee submission in detail considering 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 are consistent with other Infrastructure Renewal Program assignments of this scope and nature. The continued use of AGM on this project for construction administration is of financial advantage to the City due to the fact that 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 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, this firm has satisfactorily completed a substantial part of the project and is recommended for award of the balance of the project. The Administration recommends that AGM be authorized to carry out the remainder of engineering services to complete this project for the provided fee estimate of \$219,340.00 excluding HST, noting the upset amount for total engineering services for the project is \$468,160.00 excluding HST, spread over 2016 – 2017.

Conclusions:

Award of the 2017 Infrastructure Renewal Program, Balmoral Avenue, Brant Street, Durham Street reconstruction project to Omega Contractors Inc. will allow the project objectives to be met within the available budget.

The use of AGM for the remainder of engineering services for this project is in the best financial and technical interests of the City.

Acknowledgements:

This report was prepared within the Wastewater and Drainage Engineering Division by John Bos, C.E.T., Technologist II, and reviewed by Kyle Chambers, P. Eng., Environmental Services Engineer.

SUBMITTED BY:	CONCURRED BY:
TOM COPELAND, P. ENG. DIVISION MANAGER WASTEWATER AND DRAINAGE ENGINEERING	JOHN LUCAS, P. ENG. DIRECTOR, WATER AND WASTEWATER
RECOMMENDED BY:	
KELLY SCHERR, P.ENG. MANAGING DIRECTOR, ENVIRONMENTAL & ENGINEERING SERVICES & CITY ENGINEER	

March 29, 2017

KD/jb

Attach: Appendix "A" – Sources of Financing
Appendix "B" – Project Location Map

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c.c. Scott Mathers
Edward Soldo
Omega Contractors Inc.

John Freeman
Ugo DeCandido
AGM

Gary McDonald



2017 Infrastructure Renewal Program

Contract 8 - Location Map

Balmoral Avenue from St. James Street to Oxford Street East

Brant Street from Balmoral Avenue to Elliott Street

Durham Street from Brant Street to Oxford Street East

