



SUBJECT: Tender award for Parkway Drive area minor reconstruction

TO: Committee of the Whole

FROM: Capital Works

Report Number: CW-35-17

Wards Affected: 3

File Numbers: 570.02-797

Date to Committee: May 1, 2017

Date to Council: May 15, 2017

Recommendation:

Approve the tender for Contract No. CW-17-01, Parkway Drive area minor reconstruction submitted by King Paving & Construction Company, A division of KPM Industries Ltd., 3385 Harvester Road, Burlington, ON L7R 3Y5; be accepted at a total price of \$ 2,081,871.32 (HST included); and

Direct the Mayor and City Clerk to sign related documents; and

Authorize the Manager of Procurement Services to issue a purchase order to King Paving & Construction Company, A division of KPM Industries Ltd.; and

Direct the City Clerk to prepare the debenture by-law; and

Approve the total project cost of \$ 2,355,000; be charged to Capital Order RL0280 to be financed as follows:

| | |
|-------------------------------|--------------------|
| Federal gas tax | \$ 1,010,000 |
| Capital from current | \$ 679,500 |
| Tax supported debt | \$ 665,500 |
| <hr/> Total project financing | <hr/> \$ 2,355,000 |

Purpose:

This report supports the following component of the City's Strategic Plan:

A City that Moves

- Increased Transportation Flows and Connectivity
-

Background and Discussion:

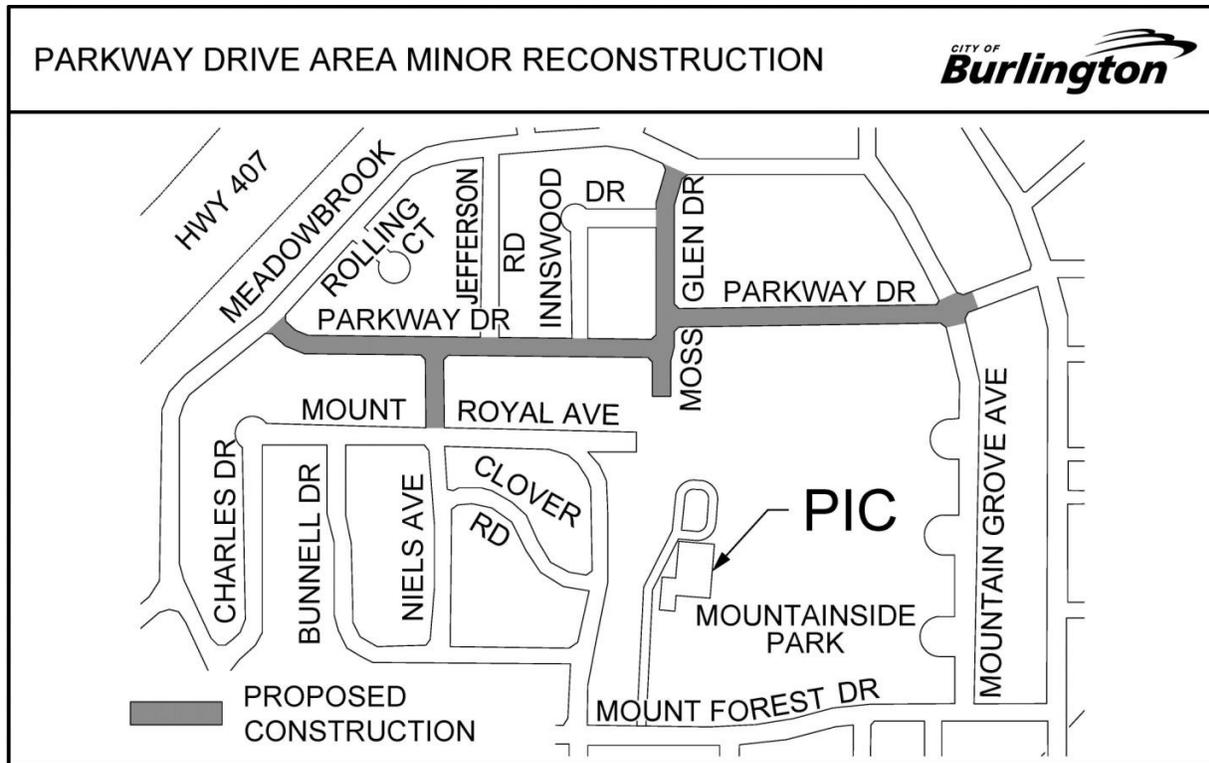
The 2016 and 2017 Capital Budgets included funding for the reconstruction of Parkway Drive, Moss Glen Road and Niels Avenue. While originally identified as a minor reconstruction, this projected scope has changed to include the full replacement of the storm sewers as it has been determined that their condition is poor. This has resulted in significant additional costs.

Strategy/process

Parkway Drive is a local road servicing St. Gabriel's Catholic School on the eastern section. This road, and others identified, are currently in poor condition with poor drainage and non standard pedestrian facilities and are currently at the end of their life cycle. These roads will be reconstructed with wider sidewalks, narrower road, inclusive of curbs and storm sewers.

Project Location:

The project location is identified in the project key plan included below.



Options considered

The 2016 Capital Budget included funds for the minor reconstruction of the Parkway Drive Area. During the preliminary review, it was determined that there was little that could be salvaged in the way of curbs and sidewalks, and as a result, this project was deferred to allow for additional funding the following year. This full replacement of curbs and sidewalks allowed for a wider, more standard sidewalk width, with pedestrian safety in mind.

At this stage, the existing street light poles were also identified for replacement as their condition is poor, and funds were added for the following year.

Scope Change

During the initial budget process, segments of storm sewer were identified for replacement or repair through the existing CCTV records. These records were not a complete review as there were sections of pipe identified with blockages, limiting the camera review. During the design phase, a contractor was retained to clean these sewers and continue with the CCTV of the missing sewers. This has yielded additional sewer defects beyond the initial scope.

Further to this, it has been identified that the original sewers, installed around 1960, were not the reinforced type, and had been installed with minimal cover. This would explain the excessive defects. Given the age of the sewers, and the noted substandard

product, leaving these in place during construction would only lead to more defects. As a result, the storm sewers will need to be replaced in their entirety. Given the limited grade of the downstream receiving sewers, these will also need to be upgraded to a costlier reinforced concrete pipe.

Replacement of the storm sewers will also require the removal and replacement of the road base, resulting in additional costs. Furthermore, as with most projects involving significant underground work, top lift asphalt is typically deferred to the following year to allow for any settlements or deficiencies. This will include additional remobilization costs in the second year.

Tender Process:

Staff completed a Request for Prequalification (RFPQ) for General Contractors (GC) for this project. Twenty two submissions were received, of which eight met the prequalification requirements. From the RFPQ the following GC's were invited to submit tenders for this project.

- Capital Paving Inc.
- Coco Paving Inc.
- Dufferin Construction Company
- Fermar Paving Ltd.
- King Paving & Construction Company
- Rankin Construction Inc.
- Tedescon Infrastructures
- Wesroc Construction

The tender closed on Wednesday March 29, 2017. The following table is a list of tenders received.

| | Tender received from: | Bid (HST Included) |
|---|------------------------------------|--------------------|
| 1 | King Paving & Construction Company | \$ 2,081,871.32 |
| 2 | Wesroc Construction | \$ 2,144,895.94 |
| 3 | Capital Paving | \$ 2,286,023.15 |
| 4 | Coco Paving Inc. | \$ 2,339,665.00 |
| 5 | Dufferin Construction Company | \$ 2,387,717.01 |
| 6 | Rankin Construction Inc. | \$ 2,408,126.05 |

Recommended Contractor:

City Staff are recommending King Paving & Construction Company be awarded this contract for the following reasons;

- A competitive Bid process has been utilized
- Recommended Bidder is the lowest compliant bidder

Furthermore, King Paving & Construction Company is a qualified contractor whose primary operations are road and sewer construction that has carried out similar projects both for the City and locally. Staff is of the opinion that King Paving & Construction Company is sufficiently staffed and equipped to carryout this work.

Construction Schedule:

| Description | Time line |
|--|----------------------------------|
| Tender for Pre-Qualified Proponents | November 29 to December 14, 2016 |
| Award Construction | May 15, 2017 |
| Mobilization / Construction Start | June 5, 2017 |
| School block work restriction, Moss Glen Rd. to Mountain Grove Ave. | July/August, 2017 |
| Year one substantial completion up to base asphalt outside of school block | October 13, 2017 |
| Year two total Completion top lift asphalt | August 31, 2017 |

Road Closure / Lane Restrictions:

These streets will be closed to local traffic only, with the following restriction provided for within the contract.

- Work within the school zone, from Moss Glen Road to Mountain Grove Avenue shall be carried out during the summer recess.

Emergency Services will be notified of any and all restrictions.

Financial Matters:

Estimated Project Cost

The following table presents a summary of the estimated project costs:

| Parkway Drive Area (capital order RL0280) | Project Budget | Project Estimate At Tender Award |
|--|--------------------|-------------------------------------|
| Contracted Construction | \$1,269,912 | \$1,842,364 |
| HST @ 1.76% | \$22,350 | \$32,425 |
| Sub total | \$1,292,262 | \$1,874,789 |

| | | |
|---------------------------------------|------------------|------------------|
| Construction Contingencies | \$193,839 | \$187,479 |
| Asphalt cement adjustment (estimated) | \$10,000 | \$30,000 |
| Sub total | \$203,839 | \$217,479 |

| | | |
|--|--------------------|--------------------|
| Total Contracted Construction (A) | \$1,496,100 | \$2,092,300 |
|--|--------------------|--------------------|

| | | |
|---|------------------|------------------|
| Internal Engineering Services - Design, Administration, Inspection | \$179,532 | \$209,230 |
| Roads and Parks Maintenance - Signage, Traffic Signal & Street Lighting | \$10,000 | \$10,000 |
| External Costs - Consulting, Testing, Advertising, and Miscl. Expenses | \$10,000 | \$10,000 |
| Utilities - Hydro, Bell, Cogeco, Gas | \$10,000 | \$10,000 |
| Sub other | \$209,532 | \$239,230 |

| | | |
|----------------------------|------------------|------------------|
| Contingency on other costs | \$20,953 | \$23,923 |
| Total Other Costs B | \$230,485 | \$263,200 |

| | | |
|---|--------------------|--------------------|
| Total Project Cost A+B (rounded) | \$1,725,000 | \$2,355,000 |
|---|--------------------|--------------------|

Construction Contingency

A 10% contingency is being carried forward on this project as the Regional underground services are the same vintage and prone to damage during construction. Staff feels that this contingency is sufficient enough to cover these potential issues.

Asphalt Cement Adjustment

It is anticipated that the price for liquid asphalt cement may climb as high as \$650/tonne during the first year and \$800/tonne during the second year of this contract, resulting in an overall increase in the cost of asphalt placed on this project of \$30,000. This amount has been included in the overall project estimate as noted above.

Total Financial Impact

There is a significant increase in the project cost over the initial approved budget amount. This is mainly attributable to the storm sewer replacement and associated costs as identified in this report. The streetlighting component of this project is also over budget. The purpose of this report is to award the contract, as well as approve the additional funding required as the total amount is above the initial approved budget.

The award of the Townsend Avenue Reconstruction project (capital order RL0211) in 2016 carried a substantial contingency allowance that was not fully realized as part of that project. Staff are recommending that the additional funds required for this project award be transferred from Federal Gas Tax available in capital order RL0211.

Source of Funding

The following table presents a summary of the project funding:

| | Project Budget | Project Estimate At Tender Award |
|---|--------------------|-------------------------------------|
| Funding Source 2016 Capital Budget | | |
| HST @ 1.76% | | |
| Tax Supported Debt | \$180,500 | \$180,500 |
| Capital from Current | \$679,500 | \$679,500 |
| Federal Gas Tax | \$380,000 | \$380,000 |
| Funding Source 2017 Capital Budget | | |
| Capital order RL0280 | | |
| Tax Supported Debt | \$485,000 | \$485,000 |
| Variance Source Prior Budget | | |
| Federal Gas Tax Capital Order RL0211 | \$0 | \$630,000 |
| Total Financing (rounded) | \$1,725,000 | \$2,355,000 |

Other Resource Impacts

NA

Connections:

NA

Public Engagement Matters:

A Public Information Centre (PIC) was hosted on February 16, 2017 to give area residents an opportunity to review the design and provide feedback. Notices of the PIC were delivered to areas residences as well as advertised in the Burlington Post.

A project web site has been created.

Upon award of this contract, letters will be delivered to affected homes and businesses prior to the beginning of construction. As construction progresses, project updates will be delivered to affected properties on a regular basis.

The project updates will be sent out via email to the property owners who signed in at the Public Information Centre. The project updates and associated road closure information will also be made available on the City's website.

Conclusion:

Staff are recommending that Capital Works Tender CW-17-01, Parkway Drive Area Minor Reconstruction, be awarded to King Paving & Construction Company.

Respectfully submitted,

Dave Johnson, CET
Project Manager, Design and Construction
905-335-7600 Ext'n 7507

Report Approval:

All reports are reviewed and/or approved by Department Director, Director of Finance and Director of Legal. Final approval is by the City Manager.