



SUBJECT: Tender Award – Cedar Springs Road minor reconstruction and culvert replacement

TO: Committee of the Whole

FROM: Capital Works

Report Number: CW-16-18

Wards Affected: 3

File Numbers: 570.02-867

Date to Committee: April 3, 2018

Date to Council: April 23, 2018

Recommendation:

Approve the tender for Contract No. CW-18-16, Cedar Springs Road minor reconstruction and culvert replacement, submitted by Fermar Paving Limited, 1921 Albion Road, Rexdale, Ontario M9W 5S8 at a total price of \$2,318,377.79 (HST included); and

Direct the mayor and city clerk to sign related documents, subject to the satisfaction of the city solicitor; and

Authorize the manager of procurement services to issue a purchase order to Fermar Paving Limited; and

Direct the city clerk to issue the debenture by-law; and

Approve the total project cost of \$2,835,000, to be charged to capital order RA0208 to be financed as follows:

| | |
|--------------------------------|---------------------|
| Tax Supported Debt | \$ 2,288,000 |
| Capital From Current | \$ 362,000 |
| Federal Gas Tax | \$ 185,000 |
| Total Project Financing | \$ 2,835,000 |

Purpose:

A City that Moves

- Increased Transportation Flows and Connectivity
-

Background and Discussion:

The 2016 Capital Budget included funding for the resurfacing of Cedar Springs Road from Britannia Road to Kilbride Street. Additional funding was then added to the 2017 Capital Budget for replacing the culvert located at 6097 Cedar Springs Road.

On June 6 2017, CW 17-12 Cedar Springs Road Minor Reconstruction project was issued for tender. The City anticipated receiving permits from Niagara Escarpment Commission (NEC) and Conservation Halton (CH) shortly thereafter; however, an appeal was made to the NEC on June 13, 2017 following the issuance of The Notice of Decision. The receipt of an appeal had potential to significantly delay receiving the Development Permit and CH permit, and thus starting construction 2017. As a result, the tender was cancelled.

After the appeal was resolved, the City received all permits by January 18, 2018. This project was then re-tendered on February 20, 2018 with a change in scope to include the replacement of the culvert located at 6097 Cedar Springs Road.

Strategy/process

Due to the significant asphalt deterioration, Cedar Springs Road from Britannia Road to Kilbride requires a combination of full and partial depth asphalt replacement. This stretch of Cedar Springs Road will also be widened to accommodate a 1.0m to 1.5m asphalt shoulder. In addition to the replacement of the 1000mm diameter culvert located at 6097 Cedar Springs Road, several smaller CSP culverts crossing Cedar Springs Road which have reached the end of their expected service life will be replaced. Lastly, the cable guiderails will be upgraded to steel beam guiderail system.

Road Closures / Lane Restrictions

Cedar Springs Road will be closed to replace the culvert located at 6097 Cedar Springs Road from July 1st to September 15th 2018. Staff has been in contact with the Burlington Fire Department in preparation for this road closure.

Emergency Services will be notified of all road closures and lane restrictions.

Tender Process

Staff completed a Request for Prequalification (RFPQ) for General Contractors for this project. From the RFPQ, the following GC's were invited to submit tenders for this project:

| | |
|---|----------------------------------|
| Coco Paving Inc | New Alliance Ltd. |
| Dagmar Construction Inc. | Pachino Construction Co. Ltd. |
| DeFaveri Group Contracting Inc. | Paveal Limited |
| Dufferin Construction Company, A Division of CRH Canada Group Inc. | Rankin Construction Inc. |
| Fermar Paving Inc. | Royal Ready Construction Limited |
| Graham Bros. Construction Limited | Tedescon Infrastructure Ltd. |
| Ground Breakers Contracting Ltd. | Trenchline & Roads Inc. |
| King Paving and Construction Company, A Division of KPM Industries Ltd. | Wesroc Construction Ltd. |
| Mar-King Construction Company Ltd. | |

From the 17 Prequalified General Contractors, five submitted tenders. The tender closed on Wednesday March 7, 2018 and the following table is a list of tenders received.

| | Tender received from: | Bid (HST Included) |
|----------|------------------------------------|-----------------------|
| 1 | Fermar Paving Limited | \$2,318,377.79 |
| 2 | King Paving & Construction Company | \$2,367,747.42 |
| 3 | Graham Bros. Construction Limited | \$2,438,057.05 |
| 4 | Coco Paving Inc. | \$2,777,473.90 |
| 5 | Pave-AI Limited | \$2,891,839.73 |

Recommended Contractor:

City staff are recommending Fermar Paving Limited be awarded this contract for the following reasons:

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

Financial Matters:

| CAPITAL ORDER RA0208 | PROJECT BUDGET | TENDER AWARD |
|---|-----------------------|---------------------|
| CONTRACTED CONSTRUCTION | | |
| – Contracted Construction | \$ 1,989,976.42 | \$ 2,051,626.36 |
| – HST (1.76%) | \$ 35,023 | \$ 36,109 |
| Subtotal Contracted Construction (Net HST) | \$ 2,025,000 | \$ 2,087,735 |
| Construction Contingency | \$ 197,000 | \$ 206,000 |
| Asphalt Cement Adjustment | \$ 40,000 | \$ 40,000 |
| Total Contracted Construction | \$ 2,262,000 | \$ 2,333,700 |
| INTERNAL COSTS | | |
| – Administration, Design, Contract Administration, Inspection | \$ 240,000 | \$ 290,000 |
| Total Internal Costs | \$ 240,000 | \$ 290,000 |
| EXTERNAL COSTS | | |
| – Consulting Fees | \$ 40,000 | \$ 100,000 |
| – Utility Relocation, Permit and Legal Fees | \$ 30,000 | \$ 65,000 |
| – Property Acquisition | \$ 8,000 | \$ 16,550 |
| – Material Testing, Other Misc. Expenses | \$ 30,000 | \$ 30,000 |
| Total External Costs | \$ 108,000 | \$ 211,550 |
| TOTAL PROJECT COSTS (ROUNDED) | \$ 2,610,000 | \$ 2,835,000 |

Asphalt Cement Adjustment

A primary component in the manufacturing of asphalt is liquid asphalt cement (LAC). Contractors base their tender bids for asphalt based on the Ministry of Transportation of Ontario's Liquid Asphalt Price Index. The purchase price for LAC is expected to be extremely volatile over this coming construction seasons due to global issues. The current price for LAC is \$588.60/tonne.

The City of Burlington, as well as the MTO and many other municipalities have adopted a policy of adjusting the price paid for asphalt to the current price index for LAC at the time of tender. The adjustment is made at the time when the asphalt is placed. This policy creates market fairness for all contractors during the tendering process.

The price for LAC may climb as high as \$750/tonne during the time frame when the paving will occur for this project, resulting in an overall increase in the cost of asphalt placed on this project of \$40,000. This amount has been included in the overall project estimate as noted above.

Total Financial Impact

The 2016 Capital Budget included \$1,610,000 for Cedar Springs Road resurfacing and in 2017 an additional \$1,000,000 was added to the Capital Budget for the culvert replacement resulting in a total project budget of \$2,610,000. The total project cost at Tender Award is \$2,835,000 resulting in an overage of \$225,000. The project is over budget due to the following:

- Higher than anticipated utility relocation costs
- Additional consulting fees for slope stability analysis
- Additional staff time required to resolve the appeal made to the NEC
- Additional cost for property easements

Surplus contingency from completed projects of \$203,655 from Willow Lane Area Reconstruction (Capital Order RL0261) and \$21,345 from Malvern Rd. Area Minor Reconstruction (Capital Order RL0268) will provide the additional funding to make up the difference between the Budget Total Cost and Tender Award Total Cost of \$225,000.

Source of Funding

The following table presents a summary of the project funding:

| CAPITAL ORDER RA0208 | Project Budget | Project Estimate at Tender Award |
|---|--------------------|----------------------------------|
| Funding Source 2016 Capital Budget | | |
| Tax Supported Debt | \$1,288,000 | \$1,288,000 |
| Capital from Current | \$137,000 | \$137,000 |
| Federal Gas Tax | \$185,000 | \$185,000 |
| Funding Source 2017 Capital Budget | | |
| Tax Supported Debt | \$1,000,000 | \$1,000,000 |
| Variance Source Prior to Budget | | |
| Capital Order RL0261 | | |
| Capital from Current | \$0 | \$203,655 |
| Capital Order RL0268 | | |
| Capital from Current | \$0 | \$21,345 |
| TOTALS | \$2,610,000 | \$2,835,000 |

Other Resource Impacts

Not applicable.

Connections:

Not applicable.

Public Engagement Matters:

A Public Information Center (PIC) was held on September 28, 2016 at Conservation Halton Grindstone Room, 2596 Britannia Road West to give area residents an opportunity to review the construction plans, schedule and budget and provide feedback to the project team.

Area residents and business owner were notified of the PIC by:

- Direct mail, and

- Advertisement in the Burlington Post

A project webpage has been created to provide project updates and valuable information for area residents throughout the course of construction.

Following the Pre-Construction meeting, Project Update No. 1 will be mailed delivered to area residents with updated information on the project. All updates are then added to the City's project webpage for reference.

Conclusion:

Staff is recommending that Capital Works Contract CW 18-16 for Cedar Springs Road Minor Reconstruction and Culvert Replacement be awarded to Fermar Paving Limited.

Respectfully submitted,

Janine Yaromich, P.Eng.

Project Manager

905-335-7600 Ext'n 7421

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.