



SUBJECT: Tender award for Prospect Street area phase one minor reconstruction, watermain and waste watermain installation

TO: Committee of the Whole

FROM: Engineering Services Department

Report Number: ES-22-24

Wards Affected: 2,4

Date to Committee: October 7, 2024

Date to Council: October 15, 2024

Recommendation:

Award the tender for contract ES-24-45 Prospect Street area phase one minor reconstruction, watermain and waste watermain to KAPP Infrastructure Inc. for \$19,851,956.94 including HST; and

Authorize the Manager of Procurement Services to issue a purchase order and/or sign any associated agreements with the bidder named above; and

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

Authorize the Mayor and City Clerk to sign any required agreements with the bidder named above, subject to the satisfaction of the Commissioner of Legal and Legislative Services and Corporation Counsel; and

Approve the total cost of \$19,750,617 (Net HST) to be charged to Capital Order RD-RR-1748 Prospect Street and Dynes Road - Renewal and funded as outlined in the Financial Matters section of the report.

PURPOSE:

Vision to Focus Alignment:

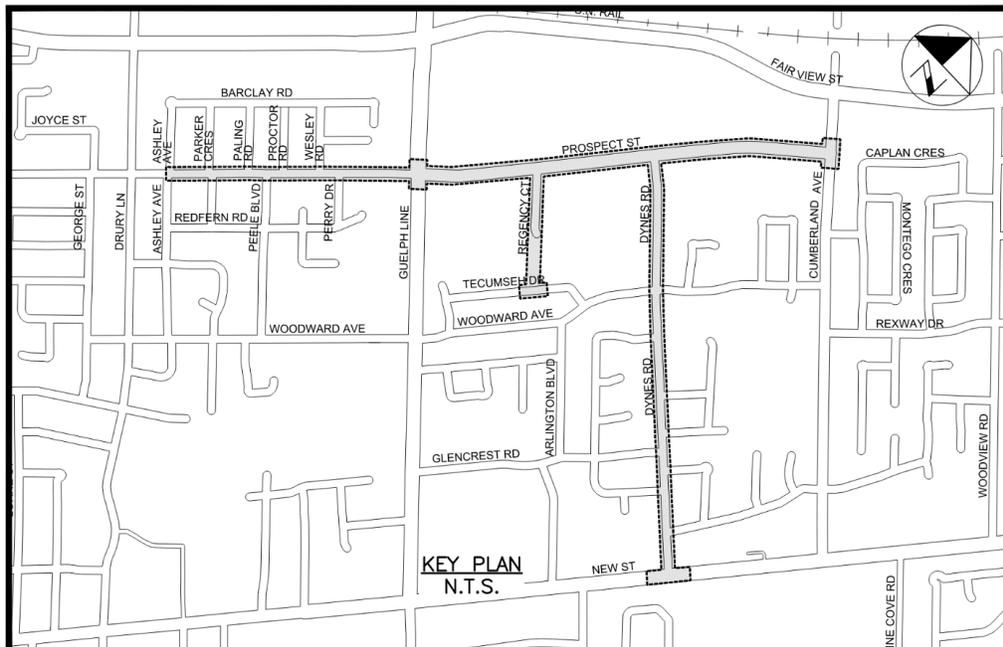
- Designing and delivering complete communities
- Providing the best services and experiences

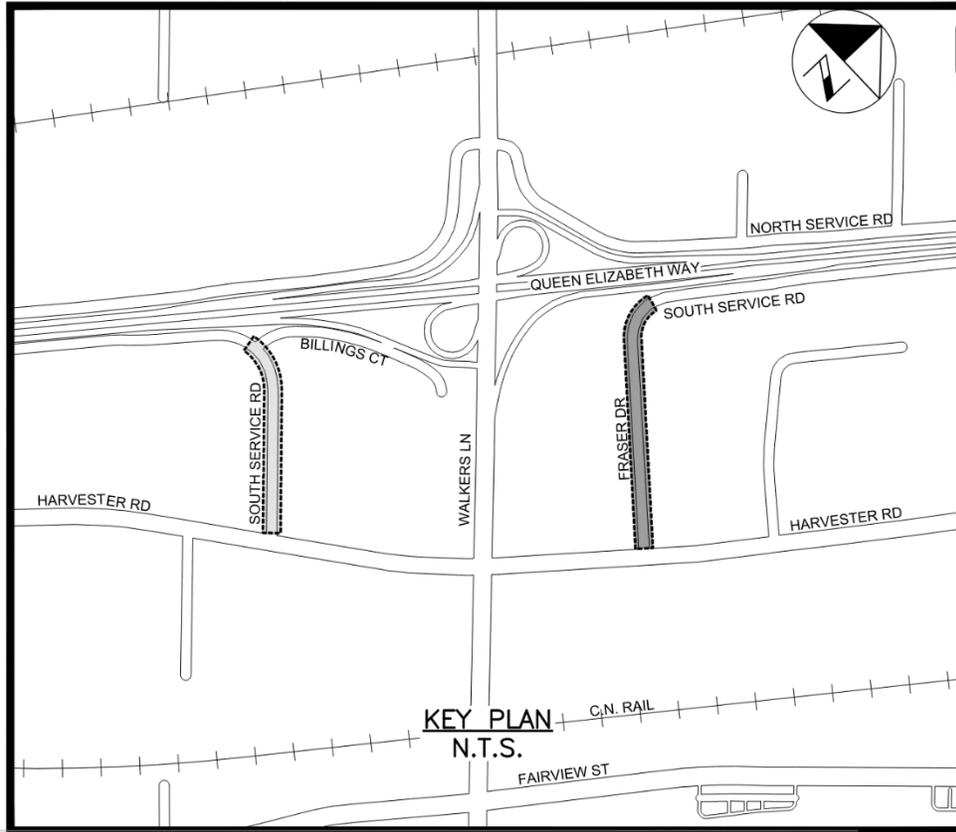
- Protecting and improving the natural environment and taking action on climate change
- Driving organizational performance

Executive Summary:

The City of Burlington plans to award the tender for contract ES-24-45 for the Prospect Street Area Phase One Minor Reconstruction, Watermain, and Waste Watermain project to KAPP Infrastructure Inc. This \$19,851,956.94 contract, inclusive of HST, will encompass resurfacing work, curb replacements, and sidewalk upgrades along key sections of Dynes Road, Regency Court, Fraser Drive, and South Service Road. Notably, the project will include the installation of protected bike lanes and a cycle track, improving cyclist safety and aligning with the city's Cycling and Integrated Mobility Plans. Additionally, the project involves significant underground infrastructure work, including watermain and wastewater main installations by the Region of Halton. The total project cost will be funded as outlined in the financial matters section of the report. Construction is scheduled to begin in November 2024 and finish by December 2026.

Background and Discussion:





The Prospect Street Area Phase One Minor Reconstruction, Watermain and Waste Watermain project is a joint project with the Region of Halton and includes the following scope of work:

Location	City Works	Region Works
Prospect Street (Drury Lane to Guelph Line)	<ul style="list-style-type: none"> • Protected on road bike lanes • Protected intersection at Guelph Line • Asphalt resurfacing, curb/gutter, bus pads, and sidewalk replacement, as required • Storm sewer improvements • Streetlight replacement. 	<ul style="list-style-type: none"> • Watermain, water services, chambers and appurtenances (approx. STA 1+620 to 2+380) • Wastewater main, maintenance holes, and laterals
Prospect Street (Guelph Line to Cumberland Ave)	<ul style="list-style-type: none"> • Protected intersection at Guelph Line • Cycle tracks on both sides of Prospect Street 	<ul style="list-style-type: none"> • Watermain, water services, chambers and appurtenances (Prospect Street approx. STA 2+380 to 3+294)

	<ul style="list-style-type: none"> • Replacement of sidewalk on north side of Prospect Street • Reduction of lanes from 4 lanes cross section to 2 lanes with a center turn lane (3 lane cross section) • Storm sewer improvements • Two new pedestrian crossings of Prospect Street • Streetlight replacements and improvements. • Traffic Signal Replacements 	<ul style="list-style-type: none"> • Watermain in casing installed by Horizontal Auger Boring (at approx. STA 2+325)
Dynes Road (Prospect Street to New Street)	<ul style="list-style-type: none"> • Road resurfacing, and storm sewer improvements • Spot sidewalk repairs • Curb and gutter replacement, full length of Dynes Road 	<ul style="list-style-type: none"> • Watermain, water services, chambers, and appurtenances (from Prospect at approx. STA 0+015 to Woodward at approx. STA 0+340)
Regency Court (Prospect Street to End, Tecumseh Drive)	<ul style="list-style-type: none"> • Road resurfacing, and storm sewer Improvements • Spot sidewalk and curb repairs • Installation of watermain, with a connection to be completed on Tecumseh Drive • Storm sewer improvements 	<ul style="list-style-type: none"> • Watermain, water services and appurtenances (approx. STA 0+015 to 0+185) • Watermain CIPP lining (and water service connection) between Regency Court and Tecumseh Drive, with watermain, chamber, appurtenances, and connections on Tecumseh Drive
Tecumseh Drive	<ul style="list-style-type: none"> • Road resurfacing 	<ul style="list-style-type: none"> • Watermain connection to existing system
South Service Road (Billings Court to Harvester Road)	<ul style="list-style-type: none"> • Road resurfacing • Spot sidewalk and curb repairs 	<ul style="list-style-type: none"> • No watermain or waste watermain scope
Fraser Drive (South Service Road to Harvester Road)	<ul style="list-style-type: none"> • Full depth asphalt removal and replacement • Spot sidewalk and curb Repairs 	<ul style="list-style-type: none"> • No watermain or waste watermain scope

Construction is anticipated to start in November 2024 and be completed in December 2026. The active transportation component is scheduled for completion in 2025.

Strategy/process/risk

In line with the vision of the Council endorsed Cycling Plan and the approved Integrated Mobility Plan, the Prospect Street Area Phase One Minor Reconstruction, Watermain and Waste Watermain Installation project will implement cycling facilities on Prospect Street, that will allow all users to feel more confident, comfortable, and safe using a bike as their mode of transportation. Prospect Street has been designated as part of the spine network, which is defined as a network of connected facilities across the city that provides a higher order of protection for cyclists that can be utilized by all ages and abilities.

This project has been broken into two phases, in order to ensure the active transportation component of the project is completed by the end of 2025, to align with the federal funding requirements. The second phase of the project is scheduled to be tendered in early 2025 with an anticipated start date of April 2025. This will ensure multiple construction crews are active on Prospect Street and will speed up both underground and above ground infrastructure work.

Options Considered

The initial bike lane design option for Prospect Street consisted of an off road cycle track on the north side of Prospect Street and an on road protected bike lane on the South side of Prospect Street from Brant Street to Guelph Line. This design would have involved costly utility removals in advance of construction work.

Procurement Information:

Advertised / Issue Date:	August 14, 2024
Advertised Methods(s):	<input checked="" type="checkbox"/> Bid & Tenders, <input type="checkbox"/> Other (specify) _____
Closing Date:	September 20, 2024
Number of Bids Received:	6
Total Number of Compliant bids:	6

Bid Results

Tender Results: The contract is awarded to the lowest compliant bidder (named first).

No.	Name of Company	Total Bid including HST
1.	KAPP Infrastructure Inc.	\$19,851,956.94
2.	614128 Ontario Ltd o/a Trisan Construction	\$20,269,531.89
3.	King Paving & Construction Ltd.	\$20,887,840.74
4.	Clearway Construction Inc.	\$21,078,726.00
5.	GIP Paving Inc.	\$22,235,463.02
6.	PAVE-AL LIMITED	\$22,487,495.27

Financial Matters:

Total Financial Impact

The following table presents a summary of the estimated project costs for Prospect Street Area Phase One Minor Reconstruction, Watermain and Wastewater Main Installation (RD-RR-1748):

	Project Budget	Tender Award
Contracted Construction		
Contracted Construction (City of Burlington)	\$ 9,510,359	\$ 8,970,878
Contracted Construction (Region of Halton) ¹	\$ -	\$ 8,597,225
HST (1.76%)	\$ 167,382	\$ 309,199
Subtotal Contracted Construction (Net HST)	\$ 9,677,741	\$ 17,877,302
Construction Contingency	\$ 900,000	\$ 800,000
Asphalt Cement Adjustment (City of Burlington)	\$ 100,000	\$ 89,000
Asphalt Cement Adjustment (Region of Halton) ¹	\$ -	\$ 38,000
HST (1.76%)	\$ 17,600	\$ 16,315
Total Contracted Construction	\$ 10,695,341	\$ 18,820,617
Internal Costs		
Administration	\$ 225,000	\$ 190,000
Design Services	\$ 350,000	\$ 250,000
Inspection	\$ 255,000	\$ 200,000
Total Internal Costs	\$ 830,000	\$ 640,000
External Costs		

Consulting Services	\$ 74,000	\$ 80,000
Tender & Advertising, Art	\$ 10,000	\$ 5,000
Construction Material Testing	\$ 50,000	\$ 30,000
Other, Including Utility Relocates	\$ 420,000	\$ 175,000
Property Acquisition ⁴	\$ 250,000	\$ -
Total External Costs	\$ 804,000	\$ 290,000
Total Project Costs (Rounded)	\$ 12,330,000	\$ 19,750,617

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 \$1172/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 \$1,450/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 \$127,000. This amount has been included in the overall project estimate as noted above and is cost shared with the Region of Halton.

Source of Funding

The following table presents a summary of the project funding for Prospect Street Area Phase One Minor Reconstruction, Watermain and Wastewater Main Installation (RD-RR-1748):

	Project Budget	Tender Award
Project Financing		
Recovery		
Regional Cost Recovery ²	\$ 1,083,000	\$ 10,096,856
Total Recovery	\$ 1,083,000	\$ 10,096,856
City Funding Sources		
Capital Purposes Reserve Fund	\$ 925,000	\$ -
Infrastructure Renewal Reserve Fund	\$ 3,268,000	\$ 2,599,761
Infrastructure Renewal Reserve Fund (RD-RL-1452)	\$ 600,000	\$ 600,000
Debt Issue – Tax Supported	\$ 2,150,000	\$ 2,150,000

Community Benefit-Building Fund - Roadways	\$ 500,000	\$ 500,000
Federal Active Transportation Fund	\$ 3,804,000	\$ 3,804,000
Total City Funding Sources	\$ 11,247,000	\$ 9,653,761
Total Project Financing	\$ 12,330,000	\$ 19,750,617

- RD-RR-1748 Prospect Street and Dynes Road - Renewal
- RD-RL-1452 Local Road Resurfacing Program

Notes:

1. Halton Region Construction is included in the tender but is not included in the City budget. Halton Region costs are budgeted separately by Halton Region and will be recovered fully by the City.
2. The total tender award includes for a cost recovery for roadworks apportioned to Halton Region.
3. Halton Region Recovery amount as agreed to by Vivek Nemani, Project Manager, Halton Region on September 17th, 2024.
4. Property acquisition is included in phase two of the Prospect Street project.
5. The unspent funds will remain in the Prospect Street and Dynes Road - Renewal (RD-RR-1748) capital project for Phase Two of this project.

Other Resource Impacts

The City has secured a grant funding agreement with the federal government's Active Transportation Fund program for \$3.804 million (\$2 million for phase 1, and the remainder for phase 2). To receive the full grant amount, the active transportation portion of the project must be completed by the end of 2025.

City Staff have applied for an additional grant from the Green Municipal Fund – Growing Canada’s Community Canopies for funding for the proposed 145 trees to be installed on Prospect Street between Cumberland Ave and Guelph Line.

Climate Implications:

The Prospect Street Area Phase One Minor Reconstruction, Watermain, and Waste Watermain Installation project emphasizes active transportation, with the installation of protected on-road bike lanes from Ashley Ave to Guelph Line, and off-road cycle tracks from Guelph Line to Cumberland Ave. These improvements align with the City’s Cycling Master Plan and Integrated Mobility Plan, enhancing cyclist safety and promoting increased cycling along Prospect Street.

Additionally, 145 new trees will be planted along Prospect Street from Guelph Line to Cumberland Ave, improving species diversity in City’s canopy and contributing to carbon removal from the environment.

Engagement Matters:

The project team set up two (2) Public Information Centers to engage and notify the public about the upcoming Prospect Street project. The first public information center was held virtually on February 6th, 2024. Residents and business owners were notified by:

- Direct mail
- The City's webpage
- Social media
- The Get Involved Calendar

The Public Information Center provided an overview of the following:

- Connection between the proposed Prospect Street project and the Integrated Mobility Plan and the Cycling Plan.
- Construction schedule and budget.
- Information on the cycling infrastructure being installed.
- An open forum for residents and business owners to ask questions and provide comments.

The plan was generally well received, with comments in regards to traffic calming and questions in regards to the active transportation infrastructure being installed.

A second public information meeting, which was done in person, was held on May 13th, 2024. Residents and business owners were notified by:

- Direct mail
- The City's webpage
- Social media
- The Get Involved Calendar

The in person public information provided an overview of the following:

- Construction impacts on each residents property.
- An overview of the project in its entirety.
- An opportunity for residents and business owners to speak to the project team directly and bring up concerns.
- Updated construction schedule.

Upon award of this contract, a project update will be mailed out to residents and added to the project website informing residents that a successful contractor has been retained by the City to complete the Prospect project and provide the residents with an updated

construction schedule. Project updates will be sent out to residents at the start and end of each construction season while this project is ongoing.

Conclusion:

Staff recommend the award of the tender for ES-24-45 Prospect Street Area Phase One Minor Reconstruction, Watermain Waste Watermain Installation to KAPP Infrastructure Inc. for \$19,851,956.94.

Respectfully submitted,

Rob Stuart

Project Manager – Design & Construction

905-335-7600 x 7519

Report Approval:

All reports are reviewed and/or approved by Department Director, the Chief Financial Officer and the Executive Director of Legal Services & Corporation Counsel.