



TO: GENERAL COMMITTEE


SUBJECT: AWARD OF CONTRACT 2015-004T,
ESSA ROAD IMPROVEMENTS, FERNDALE DRIVE TO COUGHLIN ROAD

WARDS: 6 and 7

**PREPARED BY AND
KEY CONTACT:** D. JAMES, P Eng.
SENIOR PROJECT ENGINEER (Ext. 4444) 

SUBMITTED BY: J. WESTON, M.A.Sc., P. Eng., PMP
DIRECTOR OF ENGINEERING 

**GENERAL MANAGER
APPROVAL:** R. J. FORWARD, MBA, M.Sc., P.ENG.
GENERAL MANAGER OF INFRASTRUCTURE & GROWTH 

**CHIEF ADMINISTRATIVE
OFFICER APPROVAL:** C. LADD
CHIEF ADMINISTRATIVE OFFICER 

RECOMMENDED MOTION

1. That Contract 2015-004T, for Essa Road Improvements, be awarded to Arnott Construction Limited, (Arnott), in accordance with their tender dated February 24, 2015, in the amount \$4,447,000.00 excluding HST, with the funding adjusted as per Appendix A of Staff Report ENG004-15.

PURPOSE & BACKGROUND

2. The purpose of this Staff Report is to seek funding adjustments to allow for the award of the Essa Road Improvement contract, and to allow for resident input on estimated charges based on tender pricing as per established protocols.
3. A Class Environmental Assessment was completed in 2008 for Essa Road from Ferndale Drive to the south City Limit (Athabaska Road at that time) which recommended widening to 5 lanes and the installation of servicing where not present. The recently completed Multi Modal Active Transportation Master Plan Update confirmed the need to widen Essa Road between Ferndale Drive and Coughlin Road to 5 lanes.
4. The City's Standard Operating Procedure (SOP) for Works under Municipal Act Section 326 and Local Improvements requires a Council Award of the construction contract which allows the property owners an opportunity to make deputations if they are opposed to the servicing installation.
5. On December 15, 2014 Council passed Motion No. 14-G-269 authorizing the preparation of by-laws to authorize the recovery of sanitary sewer and watermain costs through a per metre frontage charge and lateral charges as provided under Section 326 of the Municipal Act.
6. On February 2, 2015 Council passed Motion No. 15-G-019 authorizing the tendering of the Essa Road Improvements project prior to the approval of the 2015 Capital Plan.

7. Tenders for Contract 2015-004T closed on February 24, 2015 at 2:00 p.m. Five (5) tenders were opened on February 24, 2015 at 2:15 p.m., all were deemed compliant. The engineer's estimate for the construction portion of the project was \$5,300,000.00. The three lowest bids (excluding HST) are:

a) Arnott Construction	\$ 4,447,000.00
b) North Rock Group	\$ 4,680,000.00
c) Mar-King Construction	\$ 4,857,913.49

ANALYSIS

8. Arnott Construction are a well known local contractor that have successfully completed several projects of similar scope and size for the City of Barrie such as Mapleview Drive East Improvement, Welham Road to Huronia Road (2011-027T) and Gowan Street Reconstruction (2010-088T).

ENVIRONMENTAL MATTERS

9. The following Environmental matters have been considered in the development of the recommendation:
- a) Provision of sanitary sewer will allow existing septic systems to be decommissioned eliminating potential pollution sources for ground water and surface water.
 - b) Sedimentation and erosion control measures will be in place during construction of the project.

ALTERNATIVES

10. There are two Alternatives available for consideration by General Committee:

Alternative #1 General Committee may recommend award of the contract to another contractor. Staff does not recommend this alternative as it would result in higher costs.

Alternative #2 General Committee may recommend re-tendering the contract. This is not recommended as the current bids were opened in public and the process of another tender would be compromised unless significant changes were made in the contract documentation. In addition the current bids appear competitive.

FINANCIAL

11. The Capital Budget for this project is shown in Appendix "A" along with the proposed funding, which conforms to the Financial Capital Control Policy, Development Charge and Federal Gas Tax Guidelines.
12. The water component of this project is \$70,103 (29.8%) over budget, and as per our Financial Capital Control Policy, Council approval is required when a project is in excess of 10% over budget,

13. The total project cost for Contract 2015-004T, based on the low tender, including total tender price, HST, design expenses, utilities, property, inspection and material testing and construction and project contingencies is estimated at \$6,826,003 (see the table below).

	<u>Based on Tender</u>	<u>Original Budget</u>
Total Tender Price (Excluding HST)	\$4,447,000	\$4,750,000
HST non recoverable (1.76%)	\$78,267	\$83,600
Design Expenses	\$199,600	\$200,000
Utilities	\$365,000	\$375,000
Property	\$414,006	\$420,000
Contract Admin., Inspection & Material Testing	\$145,700	\$150,000
Multi Use Trail and Tree Planting	\$65,000	\$9,902
Previous Expenditure Cathodic Protection	\$362,501	\$362,501
Construction and Project Contingencies	\$748,929	\$475,000
TOTAL PROJECT WORK	\$6,826,003	\$6,826,003

14. The Section 326 estimated rates previously circulated to the benefiting property owners for sanitary sewer were \$350.00 per metre for sanitary sewer frontage and \$1,800.00 per sanitary lateral. The revised costs based on Arnott's tender are \$191.57 per metre for frontage and \$4,066.00 per sanitary lateral. The frontage cost has decreased significantly however the lateral costs are much higher. This is most likely due to the fact that the Essa Road improvements must be completed while maintaining two lanes of through traffic at all times resulting in the laterals having to be installed in two phases.
15. The Section 326 estimated rates previously circulated to the benefiting property owners for water were \$200.00 per metre for sanitary sewer frontage and \$ 1,600.00 per water service. The revised costs based on Arnott's tender are \$211.19 per metre for frontage and \$3,900.15 per water service. The water frontage cost is slightly above the initial estimate (5.6%) while the water service costs are significantly above the estimate (144%). This is most likely due to the fact that the Essa Road improvements must be completed while maintaining two lanes of through traffic at all times resulting in the water services having to be installed in two stages
16. Letters were mailed on March 13, 2015 advising property owners of the revised rates and the Council schedule for the award Staff Report.

LINKAGE TO 2014 – 2018 COUNCIL STRATEGIC PLAN

17. The recommendation(s) included in this Staff Report support the following goals identified in the 2014-2018 Strategic Plan:
- Well Planned Transportation
18. The widening of Essa Road to five lanes between Ferndale Drive and Coughlin Road will increase the traffic capacity improving the road network. Additional traffic signals at Essa Road at Harvie Road and Essa Road at Coughlin Road will improve road safety.

APPENDIX "A"

CAPITAL BUDGET FUNDING										
Component	Roads	Sanitary	Storm	Sidewalks	Water	Catholic Protection	Street Lights	Traffic Signals	TOTAL	
Account Numbers	14-16-2510-0547	14-16-2515-0547	14-16-2520-0547	14-16-2525-0547	14-16-2535-0547	14-16-2535-1392	14-16-2363-0547	14-16-2361-0547		
Tax Capital Reserve	\$ 212,288		\$ 2,182	\$ 1,637			\$ 2,728		\$ 218,835	
DCA	\$ 2,544,023		\$ 532,718	\$ 230,390			\$ 105,629	\$ 300,923	\$ 3,713,683	
Developer Agreements	\$ 98,661	\$ 1,500	\$ 11,247	\$ 5,000			\$ 3,000		\$ 119,408	
Section 326 - Residents		\$ 168,408			\$ 46,067				\$ 214,475	
Federal Gas Tax	\$ 1,041,553		\$ 283,717	\$ 121,707		\$ 420,000	\$ 52,963	\$ 162,037	\$ 1,661,977	
Water Rate					\$ 188,970				\$ 608,970	
Wastewater Rate		\$ 288,655							\$ 288,655	
TOTAL	\$ 3,896,525	\$ 458,563	\$ 829,864	\$ 358,734	\$ 235,037	\$ 420,000	\$ 164,320	\$ 462,960	\$ 6,826,003	

PROPOSED BUDGET FUNDING										
Component	Roads	Sanitary	Storm	Sidewalks	Water	Catholic Protection	Street Lights	Traffic Signals	TOTAL	
Account Numbers	14-16-2510-0547	14-16-2515-0547	14-16-2520-0547	14-16-2525-0547	14-16-2535-0547	14-16-2535-1392	14-16-2363-0547	14-16-2361-0547		
Tax Capital Reserve	\$ 212,288		\$ 570,592	\$ 230,019			\$ 122,063	\$ 323,092	\$ 3,680,411	
DCA	\$ 2,434,646		\$ 11,247	\$ 5,000			\$ 3,000		\$ 119,408	
Developer Agreements	\$ 98,661	\$ 1,500	\$ 307,025	\$ 123,137	\$ 59,807		\$ 64,822	\$ 173,974	\$ 231,425	
Section 326 - Residents		\$ 171,618							\$ 1,652,362	
Federal Gas Tax	\$ 983,404				\$ 245,333	\$ 410,971			\$ 656,304	
Water Rate					\$ 305,140				\$ 273,804	
Wastewater Rate		\$ 273,804							\$ 497,066	
TOTAL	\$ 3,728,998	\$ 446,922	\$ 888,863	\$ 358,156	\$ 305,140	\$ 410,971	\$ 189,886	\$ 497,066	\$ 6,826,003	

FUNDING ADJUSTMENT										
Component	Roads	Sanitary	Storm	Sidewalks	Water	Cathodic Protection	Street Lights	Traffic Signals	TOTAL	
Account Numbers	14-16-2510-0547	14-16-2515-0547	14-16-2520-0547	14-16-2525-0547	14-16-2535-0547	14-16-2535-1392	14-16-2363-0547	14-16-2361-0547		
Tax Capital Holding Account			\$ (2,182)	\$ (1,637)			\$ (2,728)		\$ (6,547)	
DCA	\$ (109,377)		\$ 37,874	\$ (371)			\$ 16,434	\$ 22,169	\$ (33,272)	
Section 326 - Residents		\$ 3,210			\$ 13,740				\$ 16,950	
Federal Gas Tax	\$ (58,149)		\$ 23,308	\$ 1,430			\$ 11,859	\$ 11,937.20	\$ (9,615)	
Water Rate					\$ 56,363				\$ 56,363	
Water Rate Holding Account						\$ (9,029)			\$ (9,029)	
Wastewater Holding Account		\$ (14,851)							\$ (14,851)	
TOTAL	\$ (167,527)	\$ (11,641)	\$ 58,999	\$ (578)	\$ 70,103	\$ (9,029)	\$ 25,566	\$ 34,106	\$ (0)	