

STAFF REPORT ENG004-15 March 23, 2015

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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 & GROWFF

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 bylaws 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.



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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 Constructionb) North Rock Group

c) Mar-King Construction

\$4,447,000.00

\$4,680,000.00

\$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

- 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.
 - 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,

The City of BARRIE

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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).

	Based on Tender	Original Budget
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.

<u>LINKAGE TO 2014 – 2018 COUNCIL STRATEGIC PLAN</u>

- 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.



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APPENDIX "A"

CAPITAL BUDGET FUNDING	DNIQ								
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 Reserve	\$ 212,288		\$ 2,182	2 \$ 1,637			\$ 2,728		\$ 218,835
DCA	\$ 2,544,023	***************************************	\$ 532,718	3 \$ 230,390			\$ 105,629	\$ 300,923	\$ 3,713,683
Developer Agreements	\$ 98,661	\$ 1,500	11,247	2 \$ 5,000			\$ 3,000		\$ 119,408
Section 326 - Residents		\$ 168,408			\$ 46,067				\$ 214,475
Federal Gas Tax	\$ 1,041,553		\$ 283,717	7 \$ 121,707			\$ 52,963	\$ 162,037	\$ 1,661,977
Water Rate					\$ 188,970	\$ 420,000			\$ 608,970
Wastewater Rate		\$ 288,655							\$ 288,655
TOTAL \$	\$ 3,896,525	\$ 458,563	3 \$ 829,864	\$ 358,734	\$ 235,037	\$ 420,000 \$	\$ 164,320 \$	\$ 462,960 \$	\$ 6,826,003

Component Roads Sanitary Storm Sidew Account Numbers 14-16-2510-0547 14-16-2520-0547 1	PROPOSED BUDGET FUNDING	T FUNE	SNIC												T	
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s 2,434,646 s 570,592 s 230,019 s 122,063 s 323,092 oper Agreements s 1,500 s 11,247 s 5,000 s 3,000 s 3,000 s 3,000 s 173,974 s 173,137 s 59,807 s 64,822 s 173,974 nal Gas Tax s 123,137 s 245,333 s 410,971 s 64,822 s 173,974 nwater Rate s 273,804 s 2273,804 s 358,156 s 305,140 s 410,971 s 497,066	Tax Capital Reserve	69	212,288											Coor		212,288
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S Tax \$ 983,404 \$ 173,974 \$ 1723,137 \$ 245,333 \$ 410,971 \$ 189,886 \$ 497,066	Section 326 - Residents				71,618										29	3 231,425
Rate \$ 245,333 \$ 410,971 TOTAL \$ 3728 998 \$ 446,922 \$ 888,863 \$ 358,156 \$ 305,140 \$ 410,971 \$ 189,886 \$ 497,066	Federal Gas Tax	₩	983,404			₩.	307,025	69	123,137			69	_		_	1,652,362
TOTAL S. 3728 998 S. 446 922 S. 888 863 S. 358.156 S. 305.140 S. 410,971 S. 189,886 S. 497,066	Water Rate										69		100			656,304
3 728 998 \$ 446 922 \$ 888 863 \$ 358.156 \$ 305.140 \$ 410,971 \$ 189,886 \$ 497,066	Wastewater Rate			å	73,804								:		7,	273,804
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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		TYTOST THE SECTOT FOR SECTION ASSESSMENT OF SECTION ASSESSMENT OF	\$ (2,182)	\$ (1,637)	THE CHAPLE THE PURPLE HE WERE THE ALL ALL ALBERT THE REAL AT EXPENSE AND AN AREA.	A ARREST OF MARKET BOTH THE TAXABLE OF TAXABLE OF THE TOTAL OF THE TAXABLE OF	\$ (2,728)		\$ (6,547)
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Section 326 - Residents	e sombre e dimparence educe e a cer e excessionamen us	\$ 3,210	And the second s	mentedam versioner versioner som et al. en	\$ 13,740	A PERSONAL PROPERTY OF SECURE PR	emines interes e estimates exercicamento de del meser ateliaremente e en	TO COME ABSTRACT A SER SECURITARISM PROPERTY PROPERTY PROPERTY AND ASSESSMENT PROPERTY SERVICE.	\$ 16,950
Federal Gas Tax	\$ (58,149)	matte qui, es es esemprenditors à mellement prime propriet des es pres que des	\$ 23,308	\$ 1,430	- bedrain the fact of the section of	الدوا مارتوم ماروا والمستعمرية والمستعمرية والمعاملة والمتاورة وال	\$ 11,859	\$ 11,937.20	\$ (9,615)
Water Rate				terb viladade eta da de material de de material de desta de estada de la desta del de la desta del desta de la desta de la desta de la desta del del desta del del desta del dela del del del del dela della del del del della	\$ 56,363	Perhatum Perhatun Audoriteta perhita autobaset technological federatura de describiros.	- ventale in destributed en destributed en destread auf ventale de en de en de de de destributed en de en de e	te om om de semmer er plantet til stjere det ditter skate skille de revelligere sammelystate de trabatalises.	\$ 56,363
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Wastewater Holding Account		\$ (14,851)							\$ (14,851)
TOTAL \$	(167,527)	\$ (11,641) \$	\$ 58,999	\$ (578)	\$ 70,103	\$ (9,029)	25,566	\$ 34,106	\$ (0)
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