COMMITTEE OF THE WHOLE - APRIL 18, 2005

AWARD OF TENDER T04-219 APPLEWOOD CRESCENT EXTENSION – HIGHWAY 400 FLYOVER AND REQUEST FOR ADDITIONAL FUNDS

Recommendation

The Commissioner of Engineering and Public Works in consultation with the Director of Reserves and Investments and the Director of Purchasing Services recommends:

- 1) That Tender T04-219 for the Applewood Crescent Extension Highway 400 Flyover be awarded to B. Gottardo Construction Ltd. in the amount of \$11,670,952.68, plus G.S.T.;
- That a contingency allowance in the amount of \$1,250,000.00 be approved within which the Commissioner of Engineering and Public Works or his designate is authorized to approve amendments to the contract;
- That an additional contingency allowance in the amount of \$25,000.00 for contract administration and inspection be approved within which the Commissioner of Engineering and Public Works or his designate is authorized to approve additional engineering services;
- 4) That a Geotechnical Inspection and Material Testing amount of \$120,000.00 plus GST be approved to ensure compliance with all applicable standards;
- 5) That a Utility Relocation amount of \$120,000.00 plus GST be approved to allow for the relocation of affected utilities;
- 6) That additional funding in the amount of \$2,400,000.00 from City Wide Development Charges Engineering be approved;
- 7) That the inclusion of the matter on a public Committee or Council agenda for the additional funding request identified as Award of Tender T04-219 Applewood Crescent Extension – Highway 400 Flyover and Request for Additional Funds is deemed sufficient notice pursuant to Section 2(1)(c) of By-law 394-2002;
- 8) That the Regional Municipality of York, Highway 407/ETR and the Ontario Ministry of Transportation be so advised by copy of Council's direction; and,
- 9) That the Mayor and Clerk be authorized to sign the appropriate documents.

<u>Purpose</u>

To award Tender No. T04-219 – Applewood Crescent Extension – Highway 400 Flyover and to request additional funding.

Background - Analysis and Options

This tender (2004 Capital Budget Project 1421-3-04) involves the construction of the Applewood Crescent Extension and Highway 400 overpass (see Attachment No. 1 – Location Map), including the bridge structure, approaches, roadworks and drainage improvements, street-lighting, intersection signalization and sidewalks. Once the project is completed, the new road (Portage Parkway) will join Weston Road to Jane Street.

The tender was advertised in the Daily Commercial News and on the Electronic Tendering Network (ETN), and closed on March 15, 2005. A total of 39 sets of documents were picked up from the Purchasing Department and the following 6 bids were received:

Contractor	Total Bid Amount (excl. G.S.T.
B. Gottardo Construction Ltd.	\$11,670,952.68
Dufferin Construction Company	\$11,851,130.70
795208 Ontario Limited, Fairglen Excavating Limited,	
Graham Bros. Construction Limited, Graham Bros. Aggregate	
Limited, Graham Realty Inc.	\$12,811,944.10
Brennan Paving & Construction Ltd.	\$12,935,983.99
Bot Construction (Ontario) Limited	\$13,648,809.39
Aecon Construction and Materials Limited	\$13,837,074.70

The Region has included funding in the amount of \$4,341,000 in their 2005 and 2006 Capital Works Plan for this project. The City's portion of the estimated cost for this project including contingency amounts, contract administration, inspection and testing, geotechnical inspection, utility relocation, contract drawing printing costs and all applicable taxes (G.S.T. is 100% recoverable) is \$10,063,000.00 and is calculated as follows:

B. Gottardo Construction Ltd. (excluding G.S.T.)	\$11,670,952.68
Contingency Amount - Construction (approx. 10%)	\$ 1,250,000.00
Contract Administration and Inspection – Estimated Amount	\$ 207,300.00
Contingency Amount - Contract Admin. and Inspection (approx. 10%)	\$ 25,000.00
Geotechnical Inspection and Material Testing (approx. 1%)	\$ 120,000.00
Utility Relocation – Estimated Amount (approx. 1%)	\$ 120,000.00
Contract Drawing Printing Costs (estimated amount)	\$ 24,000.00
Sub-total	\$13,417,252.68
G.S.T. (7% - Amount 100% Recoverable)	\$ 939,207.69
Treasury Administration (3%)	<u>\$ 430,639.81</u>
Total	\$14,787,154.18
Less G.S.T. Recoverable	\$ (939,207.69)
Less Region of York Contribution (approx. ¹ / ₃ of original estimate)	\$ (4,341,000.00)
Net cost to the City of Vaughan	\$ 9,506,946.49
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Rounded	\$ 9,507,000.00
Less available funding	<u>\$ 7,109,000.00</u>
Additional Funds Required	\$ 2,398,000.00

Rounded

\$ 2,400,000.00

The 2004 Capital Budget (Project No. 1421-3-04) allocates \$11,450,000.00 for the construction of this project, with \$7,109,000.00 funded from City Wide Development Charges - Engineering and the remaining \$4,341,000.00 to be funded from other miscellaneous revenue sources (Region of York contribution).

The Capital Budget funding for this project was based on a pre-design cost estimate prepared in 2001. The increased cost over the original estimate can be attributed to several factors, including the recent fluctuation in the cost of commodities, specifically structural steel and asphalt, the currently vigorous labour market, as well as multiple design refinements required to comply with Ministry of Transportation – Ontario (MTO) requirements and 407/ETR peer review costs. Compliance with MTO and 407/ETR requirements is necessary because the structure will be assumed by the MTO upon expiry of the two year (contractor) maintenance period subsequent to completion and the 407/ETR's has an interest in 23.9% of the structure until the year 2099. The above factors resulted in a 21% net increase in the estimated project cost.

As the original Regional funding subsidy agreement was based on the 2001 pre-design estimate, staff is investigating the feasibility of obtaining an increase in the Region's contribution on a prorata basis, once final costs are known.

The project is a multi-year undertaking, with part of the work, including the placement of fill for the overpass approaches to be undertaken in 2005, and the bridge structure to be constructed in 2006, with completion scheduled for the end of 2006. The 2004 Capital Budget has insufficient funds to cover the total cost of the work to be done and as it is our policy to have all funding approved prior to awarding a tender, additional funding in the amount of \$2,400,000.00 is required to award this tender. Any additional revenues (e.g. Regional funding) will be reflected at that time.

Staff and the City's consultant for this project, Cansult Limited, have reviewed the submitted bids and are satisfied that the low bidder B. Gottardo Construction Limited is deemed qualified to undertake this project. Therefore, it is appropriate to award this contract to B. Gottardo Construction Limited.

Relationship to Vaughan Vision 2007

This project is consistent with Vaughan Vision 2007 in that the extension of Applewood Crescent over Highway 400 to Chrislea Road ensures that growth does not outpace the road network infrastructure (3.2.3) and that the project incorporates road patterns in Block Plans to provide effective and efficient road and transit networks (3.3.2).

This report is consistent with the priorities previously set by Council and the necessary resources have not been allocated.

Conclusion

Additional funding in the amount of \$2,400,000 from City Wide Development Charges – Engineering is required in addition to the funds in the 2004 Capital Budget (Project 1421-3-04) to award this tender. Staff recommends that this contract be awarded to B. Gottardo Construction Ltd. in the amount of \$11,670,952.68 plus G.S.T.

Should Council concur with the proposed additional funding request, this action would be considered as an amendment to the Capital Budget. Pursuant to the Municipal Act 2001, Section 291(1)(c) before amending a budget, a municipality shall give notice of its intention to amend the budget at a Council meeting. When a capital project has been subject to a meeting during the adoption of the approved capital budget and where additional funding is required to complete the approved works, inclusion of the matter in a staff report requesting additional funding on a public committee or Council agenda is deemed to be sufficient notice pursuant to Section 2(1)(c) of Bylaw 394-2002. Therefore, no additional notice period is required.

Attachments

1. Location Map

Report prepared by:

Tom Ungar, P. Eng. – Design Engineer, ext. 3110

Respectfully submitted,

Bill Robinson, P. Eng., Commissioner of Engineering and Public Works Gary P. Carroll, P. Eng., Director of Engineering Services

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ATTACHMENT No. 1



CITY OF VAUCHAN - ENGINEERING DEPARTMENT