

COMMITTEE OF THE WHOLE - SEPTEMBER 2, 2008

AWARD OF TENDER T08-027 HURRICANE AVENUE, FRAN DRIVE AND GORDON DRIVE ROAD RECONSTRUCTION

Recommendation

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

1. That Tender T08-027, Hurricane Avenue, Fran Drive and Gordon Drive Road Reconstruction be awarded to NEI Construction Corp. in the amount of \$1,039,977, plus G.S.T.;
2. That a contingency allowance in the amount of \$104,000, plus G.S.T. be approved within which the Commissioner of Engineering and Public Works or his designate is authorized to approve amendments to the contract;
3. That an additional amount of \$755,000 be approved for this project, to be funded from Long Term Debt;
4. That the inclusion of the matter on a public Committee or Council agenda for the additional funding request identified as Hurricane Avenue, Fran Drive and Gordon Drive Road Reconstruction is deemed sufficient notice pursuant to Section 2(1)(c) of By-law 394-2002; and
5. That the Mayor and Clerk be authorized to sign the appropriate documents.

Economic Impact

The total cost of \$1,255,000.00 for the project exceeds the approved 2008 Capital Budget of \$500,000 by \$755,000.

Long range financial implications will be no different than the current conditions, since no additional infrastructure will be added that will require additional maintenance or costs.

Communications Plan

Once this project is awarded, staff will advise the Ward Sub-Committee and will send out a Notice of Construction letter (letter 'C') to the affected property owners advising them of the project details, start and duration of construction and contact information for contractor and city staff.

Purpose

Approval to award Tender No. T08-027, Hurricane Avenue, Fran Drive and Gordon Drive Road Reconstruction.

Background - Analysis and Options

This tender (2008 Capital Budget Project No. EN-1702-08) includes the reconstruction of Hurricane Avenue, Fran Drive and Gordon Drive. (See Attachment No. 1 for project location).

This Tender was advertised in the Daily Commercial News, on the Ontario Public Buyers Association (OPBA) and on the Electronic Tendering Network (ETN), and closed on August 14,

2008. A total of 14 sets of bid documents were picked up from Purchasing Services Department and the following 5 bids were received:

<u>CONTRACTOR</u>	<u>TOTAL BID (EXCL. G.S.T.)</u>
NEI Construction Corp.	\$ 1,039,977.00
Aloia Bros. Concrete Contractors Ltd.	\$ 1,289,450.00
Pave-AI Limited	\$ 1,465,700.34
Lafarge Paving and Construction Limited	\$ 1,724,191.20
Rafat General Contractor Inc.	\$ 2,025,515.00

The estimated cost for this project including provisional items, a contingency allowance and all applicable taxes is \$1,255,000.00 and is calculated as follows:

NEI Construction Corp. (excluding G.S.T.)	\$1,039,977.00
Contingency Allowance ($\pm 10\%$)	\$ 104,000.00
Relocation of utilities (estimated)	\$ 60,000.00
Approval Costs for work on CP Rail property	<u>\$ 10,000.00</u>
Sub-Total	\$1,213,977.00
G.S.T. (5% amount is 100% recoverable)	\$ 60,698.85
Treasury Administration (3%)	<u>\$ 36,419.31</u>
Total	<u>\$1,311,095.16</u>
Less G.S.T. Recoverable	<u>\$ (60,698.85)</u>
Total Cost	\$1,250,396.31

ROUNDED \$1,255,000.00

The total cost of \$1,255,000 for the project exceeds the approved 2008 Capital Budget of \$500,000 by \$755,000. The reasons for this shortfall are as follows:

- Extra excavation depth required due to presence of organic material beneath roadway, revealed by a geotechnical investigation (approx. \$193,000).
- Additional utility relocation costs associated with the extra excavation (approx. \$60,000).
- Costs to dispose of chemically contaminated material, revealed by a geotechnical investigation (approx. \$100,000).
- Repairs to sanitary sewer manholes in deteriorating condition (approx. \$16,000).
- Inclusion of top asphalt layer. The top layer of asphalt is usually done a year following the construction, under a separate capital budget item (approx. \$67,000).
- Paving the road shoulder with asphalt, instead of the typical gravel (approx. \$11,000).
- Unforeseen need to replace a deteriorating culvert under Fran Drive (approx. \$30,000)
- The sudden rise in oil prices affecting all costs, especially asphalt (approx. \$17,000).
- Change in requirements for reconstruction during detailed design (approx. \$261,000).

NEI Construction Corp. has performed similar works in the past for the City, and they are deemed capable of successfully completing this project.

Staff recommend that this contract be awarded to NEI Construction Corp. in the amount of \$1,039,977, plus G.S.T.

Relationship to Vaughan Vision 2020

In consideration of the strategic priorities related to Vaughan Vision 2020, the recommendations of this report will assist in:

- Pursue Excellence in Service Delivery;
- Maintain Assets and Infrastructure
- Lead and Promote Environmental Sustainability

This report is consistent with the priorities previously set by Council.

Regional Implications

Not Applicable.

Conclusion

Staff recommend that this contract be awarded to NEI Construction Corp. in the amount of \$1,039,977, plus G.S.T.

Should Council concur with this proposed additional funding request, this action would be considered as an amendment to the Capital Budget. Before amending a budget, a municipality shall give notice of its intention to amend the budget at a Council meeting. Where a capital budget has been subject to a public 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 sufficient notice pursuant to Section 2(1)(c) of By-law 394-2002.

Attachments

1. Location Map

Report prepared by:

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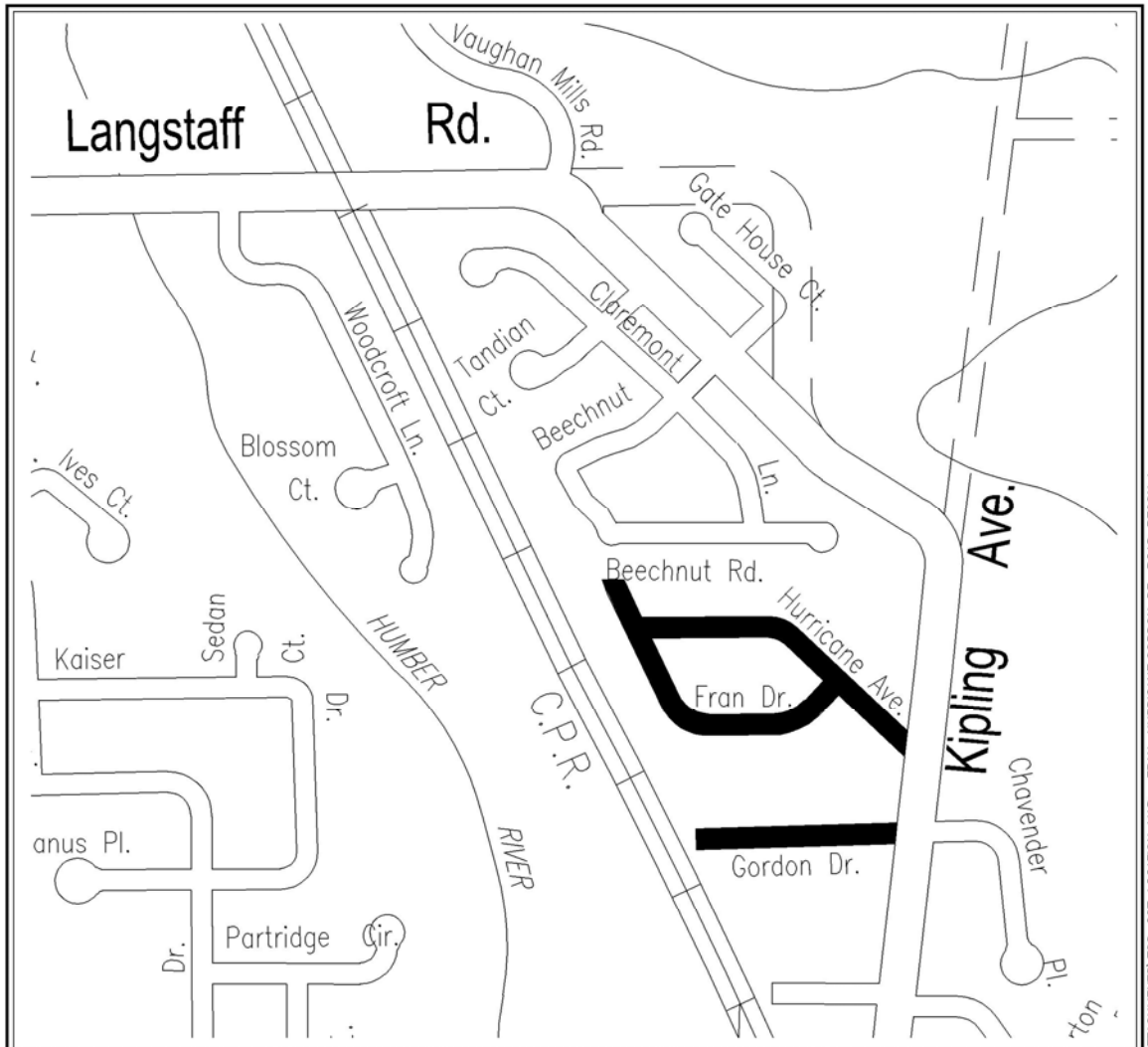
Respectfully submitted,

Bill Robinson, P. Eng.
Commissioner of Engineering and Public Works

Debbie Korolnek, P. Eng.
Director of Engineering Services

CC:mc

LOCATION MAP



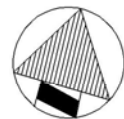
T08-027

HURRICANE AVE. FRAN DR. & GORDON DR.

ROAD RECONSTRUCTION

LEGEND

 PROJECT LOCATION



NOT TO SCALE

