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**Subject:** Award of Contract 2017-T-117 (RN17-17) Reconstruction of Regional Road 69 (Pelham Road) From Wessel Drive to Regional Road 28 (Fifth Street Louth) in the Town of Lincoln and the City of St. Catharines

**Report to:** Public Works Committee

**Report date:** Tuesday, September 25, 2018

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## **Recommendations**

1. That Contract 2017-T-117 (RN 17-17) Reconstruction of Regional Road 69 (Pelham Road) From Wessel Drive to Regional Road 28 (Fifth Street Louth) in the Town of Lincoln and the City of St. Catharines, **BE AWARDED** to Rankin Construction Inc. at their bid price of \$8,065,516.25 (including 13% HST).

## **Key Facts**

- The purpose of this report is to seek Council approval on the award of Tender 2017-T-117 (RN17-17), Reconstruction of Regional Road 69 (Pelham Road) from Wessel Drive to Regional Road 28 (Fifth Street Louth) in the Town of Lincoln and the City of St. Catharines, to the low bidder, Rankin Construction Inc.
- \$8,300,000 was approved in the 2017 Capital Budget and \$800,000 in the 2014 Capital budget for a combined budget of \$9,100,000 in project 10RC1447.
- This is Phase 2 for the Regional Road 69 (Pelham Road) reconstruction program. Phase 1 [First Street Louth to Regional Road 28 (Fifth Street Louth)] was previously completed. This Phase 2 from Wessel Drive to Regional Road 28 (Fifth Street Louth) will be completed in 2018/2019 subject to Council's approval of this report. Phase 3 Wessel Drive to Centre Street will be completed in the next 2-3 years, each project is budgeted for individually.
- The proposed work is required to address the severe road condition, drainage issues and cycling networks. The proposed works include road reconstruction, storm sewers, structural culvert replacements, cycling facilities and intersection illumination.
- A public tender process was initiated and a total of 4 bids were received with the lowest bid being \$7,137,625.00 (excluding taxes).

## **Financial Considerations**

Council approved the 2017 Capital Budget for the Transportation Department including the Reconstruction of Regional Road 69 (Pelham Road) from Wessel Drive to Regional Road 28 (Fifth Street Louth) in the Town of Lincoln and the City of St. Catharines. This budget includes the construction, contract administration & inspection, internal staff time and contingency under project 10RC1447 in the amount of \$8,300,000. This project

has prior approved funding of \$800,000 to cover the costs of detailed design, geotechnical investigations, property acquisitions and utility relocations. The total approved budget for this project is \$9,100,000.

There is no cost sharing on this project.

A full budget breakdown can be found in Appendix 3 Total Estimated Project Cost.

Given that the award is within the approved 2017 capital budget for this Project, the restrictions in section 275 of the Municipal Act do not apply.

## **Analysis**

The reconstruction of Regional Road 69 (Pelham Rd) has been subject to a Municipal Class Environmental Assessment. As part of that process two (2) Public Information Centres were held. Utility relocations have been underway since 2017 and are nearly complete. Most of the property acquisitions have been completed with a few to be finalized in the near future. The Utility relocations and property acquisitions were budgeted in previous years.

Contract award requires resources from Legal Services and Corporate Services in order to execute the required contract documents. Transportation staff will be providing resources throughout the project in order to manage the contract with assistance from Corporate Services on contract/project payments.

In accordance with Niagara Region Procurement By-law 02-2016, a public tender process was initiated on August 16, 2018 and at the time of closing on August 30, 2018. Four (4) tender submissions were received and publicly opened. The Region's Procurement Department has reviewed all bids and deemed each submission compliant with the requirements as outlined in the tender including the inclusion of all issued addenda and adherence to the bid security and surety requirements. Procurement noted that there was 1 mathematical error (from other than the low bid) which was deemed to have no bearing on final ranking of submissions as outlined in Appendix 2 Summary of Bids Received of this report.

Our consultant Associated Engineering has advised that the tendered unit prices submitted by the low tenderer, Rankin Construction Inc. are competitive and compare favorably with the Region's estimate. Staff therefore recommend that the low tender submitted by Rankin Construction Inc. be accepted.

## **Alternatives Reviewed**

If this road section is not addressed the road condition will continue to deteriorate and the costs to remediate the road structure will only continue to escalate. The Region will

be at risk for damage claims due to the road condition. The Region received favourable pricing for this proposed works, and has sufficient budget to award this contract.

Although alternatives are limited on a road reconstruction project, road design elements and the impact on the environment were reviewed as part of the detailed design and Environmental Assessment processes. The detailed design of this road section was derived from the recommended alternative from the Environmental Assessment.

### **Relationship to Council Strategic Priorities**

Addressing road conditions is an essential part of maintaining the Region's road network and this vital program is very closely tied to strategic priority 1 "Moving people and goods". This road section is highly travelled corridor with many cycling groups utilizing this route. Regional Staff and Associated Engineering have worked intensely with the NPCA to manage any risk to the Environment and the Region and have put forward considerable effort to ensure a timely project to mitigate the impact on the public.

This report is being brought forth to Regional Council as required by Section 15 (g) – Schedule B of the Purchasing By-law – Procurement of Supplies and Services, as the award of contract exceeds \$5 million, and the purchasing authority is Regional Council.

### **Other Pertinent Reports**

n/a

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**Prepared by:**

Mike Wilson, A.Sc.T., PMP  
Senior Project Manager  
Transportation Engineering

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**Recommended by:**

Ron Tripp, P.Eng.  
Commissioner  
Public Works Department

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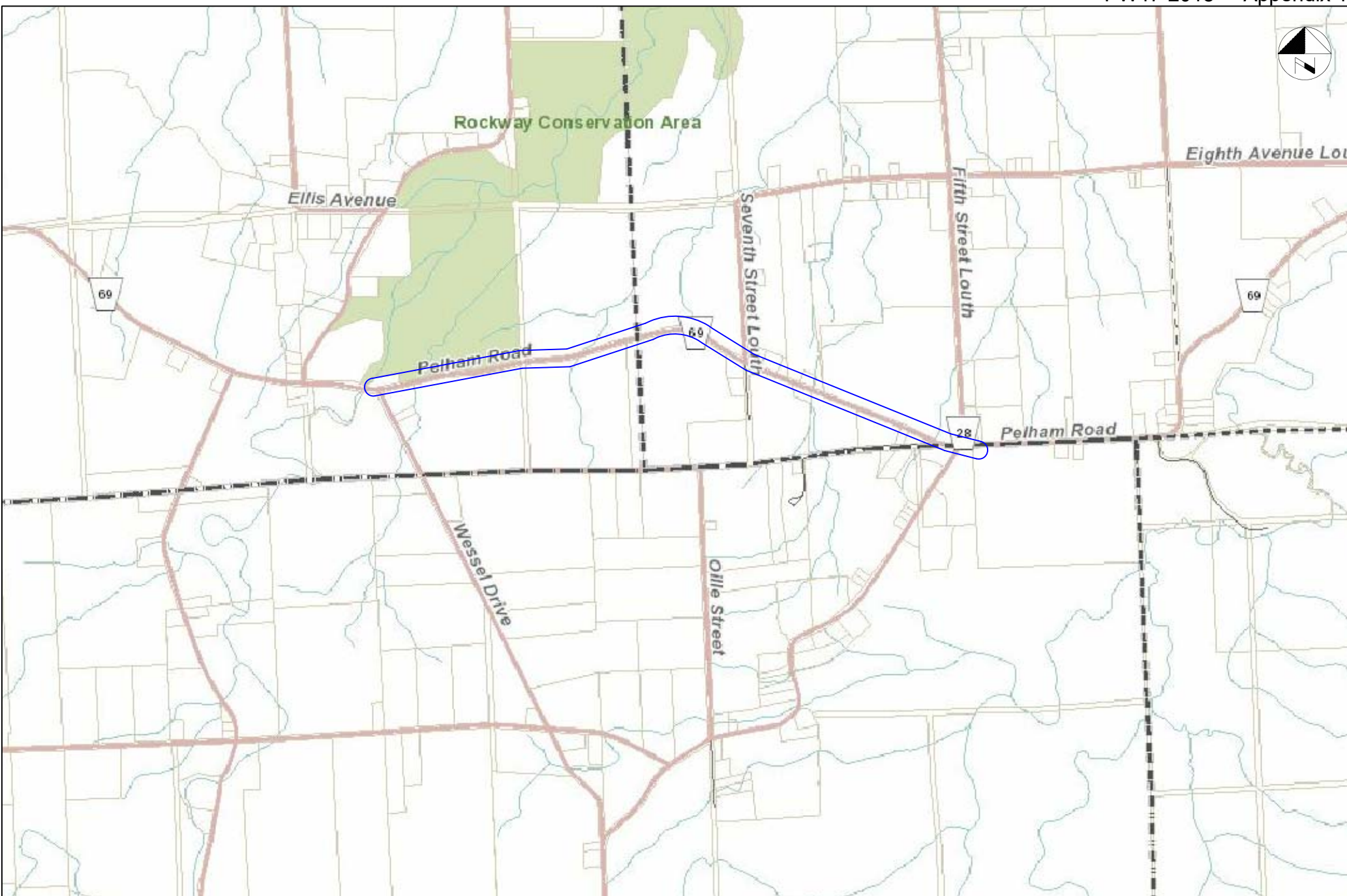
**Submitted by:**

Carmelo D'Angelo, BSc, MPA  
Chief Administrative Officer

*This report was prepared in consultation with Frank Tassone, Associate Director Transportation Engineering, and reviewed by Jeff Mulligan, Manager Strategic Sourcing, Brian McMahon, Program Financial Specialist, Sterling Wood, Legal Counsel, and Carolyn Ryall, Director Transportation Services.*

**Appendices**

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## Appendix 2 - Summary of Bids Received

The total tendered amounts (before HST) are listed below in ascending order:

Rankin Construction Inc.	\$ 7,137,625.00
Brennan Paving Limited	\$ 7,841,139.00
Norjohn Contracting and Paving Limited	\$ 8,854,000.00
Peters Excavating Limited (\$8,923,649.50)	\$ 9,017,784.50*

\*Corrected amount

**PW 47-2018 APPENDIX 3**  
**TOTAL ESTIMATED PROJECT COSTS**  
**Contract Award**

**Contract 2017-T-117 (RN17-17) Reconstruction of Regional Road 69 (Pelham Road) From Wessel Drive to Regional Road 28 (Fifth Street Louth) in the Town of Lincoln and the City of St. Catharines**

	Region Approved Budget	Expended & Committed as of August 28, 2018	Contract Award/Forecasted Spend	Budget Remaining
<b><u>Estimated Project Cost for Transportation (10RC1447)</u></b>				
(a) Construction (including Construction Contingency and non-refundable HST 1.76%)*	7,263,247	-	7,263,247	-
(b) Project Contingency	700,000	-	700,000	-
(c) Property Acquisition	58,919	8,919	50,000	-
(d) Consulting Engineering Services	-	-	-	-
i. Geotechnical Services	60,000	-	60,000	-
ii. Contract Administration & Inspection	300,000	-	300,000	-
iii. Design	231,190	231,190	-	-
(e) Project Management (In-House)	71,637	21,637	50,000	-
(f) Contract Administration & Inspection (In-house)	4,799	4,799	-	-
(g) Utility Relocation	165,275	165,275	-	-
(h) Miscellaneous	244,933	-	244,933	-
<b>Total Estimated Project Cost for Transportation</b>	<b>9,100,000</b>	<b>431,820</b>	<b>8,668,180</b>	<b>0</b>

\* Total Contract Award with no tax is \$7,137,625, with 1.76% non-recoverable tax is \$7,263,247, and with 13% HST is \$8,065,516