
Subject: Contract Increase and Amending Agreement Engineering and Contract Administration Services for the Reconstruction of Regional Road 10 (Casablanca Boulevard)

Report to: Public Works Committee

Report date: Tuesday, June 11, 2024

Recommendations

1. That the original contract awarded to the highest ranked proponent (Associated Engineering (Ont.) Ltd.) in response to request for proposal 2020-RFP-44 in the amount of \$739,430 (including 13% HST) **BE INCREASED** by \$737,294 (including 13% HST), for a total revised Contract of \$1,476,724 (including 13% HST) for the completion of detailed design and contract administration services related to Phase 1 of the Reconstruction of Regional Road 10 (Casablanca Boulevard);
2. That the Engineering Agreement with Associated Engineering (Ont.) Ltd. for contract administration and construction inspection services (CA&I) that were provisionally procured as part of 2020-RFP-44, and for additional design services **BE AMENDED**, in a form satisfactory to the Director of Legal and Court Services, to include the additional fees; and
3. That the Commissioner of Public Works **BE AUTHORIZED** to execute the amendment to the Engineering Agreement between The Regional Municipality of Niagara and Associated Engineering (Ont.) Ltd.

Key Facts

- Associated Engineering (Ont.) Ltd. (“AE”) currently has an Engineering Agreement with the Region (pursuant to 2020-RFP-44) to undertake the Detailed Design for improvements to Regional Road 10 (Casablanca Boulevard) Corridor in the Town of Grimsby.
- The purpose of this report is to seek Council’s approval to amend the agreement with AE to include (1) contract administration and construction inspection services (CA&I) that were competitively procured as provisional items within 2020-RFP-44, and (2) additional design services related to Ministry of Transportation (MTO) requirements and liaison.

- The breakout of these costs are \$568,625 (including non-recoverable HST) and \$95,331 (including non-recoverable HST), respectively, representing a total increase of \$663,956 (including non-recoverable HST).

Financial Considerations

AE was retained through a competitive bidding process under Request for Proposal 2020-RFP-44 at a value of \$510,368 (including non-recoverable HST). Staff have since increased PO 0000078692 in the amount of \$155,512 (including non-recoverable HST), representing a total current PO value of \$665,880 (including non-recoverable HST).

The increase requested above will include the award of CA&I that was included in the original request for proposal as a provisional item, as well as additional project design work related to Ministry of Transportation (MTO) requirements and liaison. The breakout of these costs are \$568,625 (including non-recoverable HST) and \$95,331 (including non-recoverable HST), respectively, representing a total increase of \$663,956 (including non-recoverable HST).

Upon approval of the requested increase, the revised value of the Purchase Order will be a total amount of \$1,329,836 (including non-recoverable HST).

There are sufficient funds within the approved budget of \$35,830,000 for Project 10RC1329 (Regional Road 10 Casablanca Boulevard from Livingston Avenue to QEW) to accommodate this contract increase.

Analysis

Construction Contract Administration

CA&I were procured as part of 2020-RFP-44 as provisional items. The provisional price of \$449,436 (excluding taxes) was based on construction occurring in 2021, however, construction start has been delayed to 2024, therefore an additional \$109,364 (excluding taxes) in contract administration and inspection fees has been included for a total increase of \$558,790 (excluding taxes) in CA&I.

Staff have reviewed the updated pricing for the CA&I. Staff can confirm that the rates are reflective of current market value and the hourly rates table that was included within 2020-RFP-44 is no longer current market value (based on 2020 rates).

Casablanca Reconstruction – Project Completion

The Ministry of Transportation Ontario (MTO) is an approval agency regarding works around the Casablanca Boulevard interchange and as such has been included throughout the project. Multiple iterations of the detailed design have been submitted to MTO for approval, however, there have been challenges in obtaining final approval. The additional design fees are related to ongoing liaison with MTO to ensure that the final design meets all MTO requirements.

A significant amount of additional correspondence from the MTO has been reviewed and further resubmissions have been made for the MTO's review. A mandatory Executive Review presentation was completed and MTO would like AE to facilitate one final presentation for their staff.

AE has developed an extensive comment log to help guide MTO staff through our design review and approval process. The MTO's comments have been significant, largely due to the need for reconstruction of the QEW southbound off ramp to Casablanca Boulevard. The Region has been pivotal in supporting AE and will continue to assist in order to gain MTO approval and the necessary permits to undertake the works on and surrounding the interchange.

Alternatives Reviewed

- (i) Do Nothing:
 - Region staff would need to continue along the approval process without the support of our Engineering Consultant, it is highly unlikely that Staff would be successful in obtaining the necessary permits due to a lack of capacity and resources.
- (ii) Approve Request
 - Allows the continuation of the review and approval process and provides ability to obtain all necessary permits to allow the project to move forward with construction in 2024/2025.

Relationship to Council Strategic Priorities

The recommendations in this report align with Council's Strategic Priority of ensuring a Prosperous Region through improvements to the transportation network, including active transportation, and to create jobs through attracting new business.

This project is being undertaken in support of the proposed Grimsby GO Station and anticipated future mixed-use development within the surrounding Strategic Growth Area identified in the Niagara Region Official Plan by providing road capacity and infrastructure improvements.

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