




CITY OF HAMILTON
PUBLIC WORKS DEPARTMENT
Engineering Services Division

TO:	Chair and Members Public Works Committee
COMMITTEE DATE:	May 22, 2014
SUBJECT/REPORT NO:	Fessenden Neighbourhood Stormwater Project Municipal Class EA - Phase III Flood Protection Tender (PW11080b) - (Ward 8)
WARD(S) AFFECTED:	Ward 8
PREPARED BY:	Gary Moore (905) 546-2424, Extension 2382
SUBMITTED BY:	Gary Moore, P.Eng. Acting General Manager Public Works Department
SIGNATURE:	

RECOMMENDATION

- (a) That the budget in project ID 5181360311 (Fessenden - Sir A MacNab Pond) be increased in the amount of \$1,600,000 from \$6,220,000 to \$7,820,000 and that the increased funding of \$1,600,000 be transferred from the Storm Sewer Reserve # 108010;
- (b) That the tender C15-10-14(HS) be awarded to Gedco Excavating Ltd, in the amount of \$3,606,764.18 as the lowest of three bids according to the Procurement Policies.

EXECUTIVE SUMMARY

The main purpose of Report PW11080b is to seek Council approval to appropriate \$1,600,000 to cover the current funding budget line item shortfall in regard to the tender for construction of the final phase of the Fessenden Storm water prevention works.

This is the final construction tender of a multi-phase storm water flood prevention system. The initial phases are complete and in place. Staff are recommending the approval of the additional funds to award the current tender and complete the project as scheduled.

Alternatives for Consideration - See Page 3

FINANCIAL - STAFFING - LEGAL IMPLICATIONS

Financial: In addition to the approved funds of 5181360311, additional funds of \$1,600,000 transferred from Storm Sewer Reserve # 108010 are required to complete the construction of the Trunk Storm Sewer.

Staffing: N/A

Legal: N/A

HISTORICAL BACKGROUND

The Fessenden neighbourhood has been experiencing flooding since before amalgamation. An extensive neighbourhood consultation and investigation into causes and possible remediation solutions was undertaken. To date two of the three major infrastructure components of the recommended stormwater solution have been constructed. A linear stormwater storage tank on Greencedar Drive was completed in 2012. In 2013 a new stormwater management pond and outlet sewer was substantially completed. The last integral component of this system improvement requires the construction of the remainder of a new trunk storm sewer on Daisy Street and Forestgate Drive.

The Trunk Storm Sewer Tender C15-10-14(HS) closed in May of this year with the lowest bid that exceeded available funds by \$1,600,000. The value of the tender is \$3,606,764.18 as the lowest of three bidders. The next lowest bid value is \$3,927,378, approximately 8.9% higher. The pre-tender estimate was premised on previous unit rates similar work that closed in 2013. Had the tender reflected the pre-tender estimate sufficient funds would have been available to award the tender without the need to seek Council approval.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

None

RELEVANT CONSULTATION

Discussion with the Fessenden Community Liaison Committee demonstrated a strong expectation that the construction of the Storm Trunk Sewer be initiated in June of 2014.

Discussion with the Ward Councillor also indicated support for the transfer of the recommended funds in this report and award of the Tender.

ANALYSIS AND RATIONAL FOR RECOMMENDATION

The unfavourable tender can mostly be attributed to the unit price for the sewer pipe, this item was approximately double the estimated pre-tender value. The pre-tender estimate was premised on unit rates experienced in Phases I and II of the project. While Phase III unit rates for the sewer pipe are basically double previous contracts all other work seems to be in line with expected rates. This is consistent across all three of the bids. Some component of this increase is due to the change from native to granular backfill of previous contracts, however this accounts for less than 25% of the unexpected increase in prices. Staff have been unable to determine the reason for this increased bid price, other than to attribute them to market values and familiarity with the complexities of the project.

Given that three separate bids were received, that there are legal complications with a retendering of the same project without substantial modification or change in scope, that delay of the work is not recommended due to the possible risk and exposure of continued flooding, staff are recommending the appropriation transfer of sufficient funds from the Storm Water Capital Reserve to award the tender as received.

ALTERNATIVES FOR CONSIDERATION

Alternatives to consider would be the Partial award of C15-10-14(HS) prorated based on available funds of \$2.0 million, and re-tender the balance of the project in 2015. The implications of the alternative would be that the community would endure the disruption of two separate construction projects, rather than one larger project. Financially, two projects would be more costly due to double mobilization costs, administration, permits, etc. The greatest consequence to this approach is that the improvement to the Daisy Street drainage, an area of the most severe and frequent flooding would be delayed until 2015.

ALIGNMENT TO THE 2012 - 2015 STRATEGIC PLAN

Strategic Priority #1

A Prosperous & Healthy Community

WE enhance our image, economy and well-being by demonstrating that Hamilton is a great place to live, work, play and learn.

Strategic Objective

- 1.5 Support the development and implementation of neighbourhood and City wide strategies that will improve the health and well-being of residents.
- 1.6 Enhance Overall Sustainability (financial, economic, social and environmental).

Strategic Priority #2

Valued & Sustainable Services

WE deliver high quality services that meet citizen needs and expectations, in a cost effective and responsible manner.

Strategic Objective

- 2.3 Enhance customer service satisfaction.

APPENDICES AND SCHEDULES ATTACHED

None