



**CITY OF HAMILTON**  
**PUBLIC WORKS DEPARTMENT**  
**Engineering Services Division**

<b>TO:</b>	Mayor and Members General Issues Committee
<b>COMMITTEE DATE:</b>	January 23, 2015
<b>SUBJECT/REPORT NO:</b>	Concession Street Reconstruction (PW14116a) - (Ward 7)
<b>WARD(S) AFFECTED:</b>	Ward 7
<b>PREPARED BY:</b>	Gary Moore (905) 546-2424, Extension 2382
<b>SUBMITTED BY:</b>	Gerry Davis, CMA General Manager Public Works Department
<b>SIGNATURE:</b>	

**RECOMMENDATION**

- (a) That \$2,610,000 from Rates Reserve #108015 - Waterworks capital reserve - be utilized to fund the award of the tender for the watermain replacement and watermain lining portions of the Concession Street from Upper Wellington to Upper Sherman Reconstruction, Contract C15-68-14 HW;
- (b) That the \$2,610,000 be transferred to project ID 5141571301 (Watermain replacement with Roads);
- (c) That the General Manager of Public Works be authorized to award the tender of Contract C15-68-14 HW being the Reconstruction of Concession Street from Upper Wellington to Upper Sherman, Belwood Avenue from Concession Street to Alpine Street.

**EXECUTIVE SUMMARY**

Contract C15-68-14 for the reconstruction of Concession Street from Upper Wentworth to Upper Sherman was recently tendered and closed. There were two bidders and the lowest tender is approximately \$2.7 million over the budget level estimate of \$7.4 M. The majority of the overage is in the watermain replacement and related ancillary work portion of the tender. Prices submitted by both contractors are well above unit prices used to estimate the value of the contract. The project is in rock trench, involves the upsizing and replacement of a portion of the watermain along the project length as well as the replacement and connection of new hydrants and watermain interconnections with the remaining existing watermain. The corridor is through a BIA district with adjacent businesses and the Juravinski Hospital and will involve considerable coordination and bypass piping. These issues and constraints are likely some of the conditions that have resulted in the increased prices. An additional contributing factor

would be the relatively tight timelines assigned to this project; as it is required to complete the project by the end of October this year.

It is recommended to maintain the existing scope of watermain work, to fund the budget shortfall from the Waterworks Capital reserve, and to award the contract as is. It is imperative that this contract be awarded as quickly as possible, in order to maintain the defined contract completion date of October 31, 2015. It is anticipated the contractor needs to start the lining portion of the works in mid-to late February in order to maintain the schedule.

**Alternatives for Consideration - See Page 3**

**FINANCIAL - STAFFING - LEGAL IMPLICATIONS**

Financial: The total tender value is \$9,996,590, plus \$888,259 in contingency and GST. An additional \$2.6M from the Waterworks reserve is needed to award the contract.

Staffing: N/A

Legal: N/A

**HISTORICAL BACKGROUND**

Concession Street reconstruction has been identified as a project since 2013. It involves the reconstruction of Concession Street including sidewalks, boulevards, pedestrian safety and access amenities, lighting traffic signal upgrades as well as associated watermain and sewer replacements and upgrades. It was originally contemplated as two separate projects.

The original project budget was approximately \$7.4 Million for road, water and sewer and traffic signal components. The Ward 7 Councillor contributed \$800,000 from the Ward Infrastructure account to advance and consolidate the project. This represented approximately 13% of the project road related costs of \$6.1M.

**POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

Not applicable.

**RELEVANT CONSULTATION**

The Ward 7 Councillor has been involved in the development of this report and is in support of the recommendation.

Corporate Finance has provided the source of the funding and approve of the recommendation.

Hamilton Water has been consulted and is in agreement with award of this contract.

## **ANALYSIS AND RATIONAL FOR RECOMMENDATION**

An analysis of the contract tender prices, required work, constraints and stated project completion date by staff has resulted in a recommendation to maintain the existing scope and to award the contract as is. The only alternative that achieves the desire to complete the works in a single construction year by the local BIA, the adjacent residents and the local Councillor is to award this project as is. This requires an additional funding source and approval by Council.

The majority of the tender overage is in the watermain replacement and ancillary work portion of the tender. Prices submitted by both contractors are well above unit prices used to estimate the value of the contract. The project is in rock trench, involves the upsizing and replacement of a portion of the watermain along the project length as well as the replacement and connection of new hydrants and watermain interconnections with the remaining existing watermain. The corridor is through a BIA district with adjacent businesses and the Juravinski Hospital and will involve considerable coordination and bypass piping. These issues and constraints are likely some of the conditions that have resulted in the increased prices. An additional contributing factor would be the relatively tight timelines assigned to this project; as it is required to complete the project by the end of October this year. Rescoping and repackaging of the work will not guarantee lower construction costs.

## **ALTERNATIVES FOR CONSIDERATION**

The alternative to not approving this additional funding would be to cancel the tender, re-evaluate the scope of work and repackage the scope into separate work packages over the next few years. This would result in Concession Street road reconstruction not going forward this year. It would result in multiple years of disruption to the HSR and BIA's in lieu of the anticipated single year. It does not guarantee that project costs will be reduced from the currently bid amount.

## **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**

- 1.2 Continue to prioritize capital infrastructure projects to support managed growth and optimize community benefit.
- 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.

**Strategic Priority #3**

Leadership & Governance

*WE work together to ensure we are a government that is respectful towards each other and that the community has confidence and trust in.*

**APPENDICES AND SCHEDULES ATTACHED**

Appendix A Report PW14116 - Concession Street Reconstruction