



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

<b>TO:</b>	Chair and Members Public Works Committee
<b>COMMITTEE DATE:</b>	September 19, 2016
<b>SUBJECT/REPORT NO:</b>	Extension of Consulting Assignment for Contract Administration of Sanitary Trunk Sewer Main along Upper Centennial Parkway from Green Mountain Road West to Guyatt Rd (PW16080) (Ward 11)
<b>WARD(S) AFFECTED:</b>	Ward 11
<b>PREPARED BY:</b>	Susan Jacob (905) 546-2424, Extension 2621  Marco Oddi (905) 546-2424, Extension 2387
<b>SUBMITTED BY:</b>	Sam Sidawi, P.Eng. (Acting) Director, Engineering Services Division Public Works Department
<b>SIGNATURE:</b>	

**RECOMMENDATION**

That Council approves the single source procurement, pursuant to Procurement Policy #11 - Non-competitive Procurements and that the General Manager of Public Works be authorized to;

- (a) Negotiate with the consultant, MMM Group Limited, to carry-out additional contract administration, site inspection and hydrogeological monitoring as required under Contract C11-43-13 for construction Contract C15-47-14(HS) for the Upper Centennial Trunk Sewer currently being constructed by McNally Construction Inc.; and
- (b) Should an acceptable price be negotiated for the additional consultancy work, that the General Manager, Public Works Department be authorized to enter into and execute any required Contract and any ancillary documents required to give effect thereto with MMM Group Limited, in a form satisfactory to the City Solicitor with funding, at an upwards cost of \$600,000, coming from the 2016 approved budget (Project ID: 5161395358 Binbrook (Hwy 56 Force main and Twinning – WW-21)).

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**EXECUTIVE SUMMARY**

MMM Consulting Group Limited was hired by the City of Hamilton through a Request for Proposal process and as a result, Contract C11-43-13 was entered into on October 30, 2013. The Contract was to provide detailed design and contract administration of a trunk sewer main along Upper Centennial Parkway and Regional Road 56 from Green Mountain Road to Golf Club Road. This approach of using the same consultant for the design and contract administration was successfully used for several large City projects such as the Lincoln M. Alexander and Red Hill Valley Parkways resulting in costs below the industry averages.

During the detailed design process and construction tender preparation for the original contract, it was identified that the construction period would have to be revised from 18 months to 24 months. Additional dewatering was required during construction which required an amendment to the current Permit to Take Water. MMM Group Limited also had to spend additional time consulting with the Ministry of Environment and Climate Change, assisting with the installation of residential monitoring wells and reviewing test results etc. to ensure that these newly installed wells were suitable for use.

At its March 9, 2016 meeting, Council approved Public Works to negotiate with McNally Construction Inc. to extend the tunneling for the sewer along RR56 from Golf Club Rd to 500m North of Guyatt Road. MMM Group was retained by the City under a roster assignment to complete the detailed design of this extension. To provide continuity for the contract administration, increased MOECC consultation and hydrogeological monitoring required during and after construction, it is requested that MMM Group Limited be retained to provide these services for the extended portion of Contract C15-47-14(HS) in compliance with corporate purchasing policy 4.11, criteria 1(b).

Currently, McNally Construction Inc. is expected to complete the works by the end of December 2017. The hydrogeological monitoring will continue after construction to ensure that the environmental impacts of the project are monitored and reported back to the MOECC in a timely manner. As such, MMM Group Ltd will require additional fees for the contract administration due to the change in construction limits and timelines.

This report seeks Council authorization to begin negotiations with MMM Group Ltd to continue with the contract administration, site inspection and hydrogeological monitoring until the project is completed.

***Alternatives for Consideration – See Page 4***

**FINANCIAL – STAFFING – LEGAL IMPLICATIONS**

Financial: The additional costs for contract administration, site inspection and hydrogeological investigation will cost approximately \$600,000. Funding for the proposed work is available in the 2016 approved budget Project ID 5161395358 Binbrook (Hwy 56 Force main and Twinning-(WW- 21).

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Staffing: None

Legal: None

### **HISTORICAL BACKGROUND**

Originally, the extension of the sanitary sewer south of Golf Club Road was to be a sanitary force main from Binbrook terminating at a manhole at Golf Club Road. An in-depth review of construction, operational and maintenance logistics for this sewer revealed that it was more economical and efficient to extend the tunnel south of Golf Club Road to Twenty Mile Creek (500m north of Guyatt Road) as a gravity sewer.

The sewer extension project using trenchless methods (Tunneling) along Regional Road 56 was approved by Council in March 9, 2016 and an \$11,000,000 extension to Contract C15-47-14(HS) was successfully negotiated by City Staff and MMM Group.

Contract C15-47-14(HS) is currently under way for the construction by tunneling method of a trunk sanitary sewer on Upper Centennial Pkwy and Regional Road 56 from Green Mountain Road to 500m North of Guyatt Road. Work is being undertaken by McNally Construction Inc. and should be complete by December of 2017.

### **POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

The requirements of the Procurement Policy 5.3 to issue a competitive bid are waived in order to allow negotiations within a currently awarded contract.

### **RELEVANT CONSULTATION**

The department of Planning and Economic Development, Growth Management division has confirmed that the timely construction of this section of sewer is vital to the growth accommodation and further development in Binbrook.

### **ANALYSIS AND RATIONALE FOR RECOMMENDATION**

The current construction contract C15-47-14(HS) is being undertaken by McNally Construction Inc. and MMM Group Ltd. is providing contract administration, site inspection and hydrogeological investigation services on the original contract limits as well as finalizing the detailed design of the extension.

The City should realize cost savings on the consulting fees by using the same consultant on the contract administration for the project extension. This approach was successfully used for large projects such as the Lincoln M. Alexander and Red Hill Valley Parkways resulting in costs below the industry averages.

Additional cost and time savings should also be realized due to the fact that the current Consultant has undertaken the detailed design and will have continuity in consulting with the MOECC, shop drawing reviews and is more aware of the environmental impacts such as the sensitivity of groundwater issues and blasting in the area.

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**ALTERNATIVES FOR CONSIDERATION**

An RFP (Request for Proposal) could be issued to acquire consultant supervision services for this additional tunnel work. However, it is likely to delay the start of the new work. The potential new consultant would not have the experience with this location, rock characteristics or water table concerns.

According to the latest Construction Schedule submitted by McNally Construction Inc. for the construction of the current project, tunneling the additional 1.5km will take approximately 75 days to complete. McNally is scheduled to complete tunneling at Golf Club Road (existing contract limits) in July of 2017 and could potentially have the additional 1.5km of tunnel length, and entire project, completed by October of 2017.

The contract administration can be accomplished using City Staff. However City staff do not have the expertise to deal with the specialties required in this project to undertake the shop drawing reviews, MOECC Consultation, hydrogeological monitoring needs etc.

If the current tunnel project is delayed by any means and is not completed on time, the extension contract will also be delayed. This would delay servicing of some properties along Highway 56 which is within the Settlement Area.

**ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN**

**Economic Prosperity and Growth**

*Hamilton has a prosperous and diverse local economy where people have opportunities to grow and develop.*

**APPENDICES AND SCHEDULES ATTACHED**

None