



CITY OF HAMILTON
PUBLIC WORKS DEPARTMENT
Engineering Services Division

TO:	Chair and Members Public Works Committee
COMMITTEE DATE:	June 5, 2017
SUBJECT/REPORT NO:	Contract Award C15-07-17(HW) – Sanatorium Road Watermain Replacement (Buchanan Neighbourhood Appropriation Adjustment) (PW17046) (Ward 8)
WARD(S) AFFECTED:	Ward 8
PREPARED BY:	Erika Waite (905) 546-2424, Extension 6397
SUBMITTED BY:	Gary Moore, P. Eng. Director, Engineering Services Public Works
SIGNATURE:	

RECOMMENDATION

- (a) That the General Manager of Public Works be authorized and directed to proceed with the tender and award of C15-07-17(HW) to Deso Construction Limited in the amount of \$4,715,490 as identified in Appendix “A”;
- (b) That Project ID 5141771301 for the watermain replacement portion of contract C15-07-17(HW) (Sanatorium / Westaway / W15th / W17th / W18th Buchanan Neighbourhood) be increased by \$575,000 from \$1,200,000 to \$1,775,000 and that this increase be funded by a transfer from Project ID 5141671301 (2016 Watermain Replacement Program).

EXECUTIVE SUMMARY

Staff are recommending that Contract C15-07-17 (HW) be awarded to the lowest bidder, Deso Construction Limited, in the amount of \$4,715,490. While the road portion of this contract is within budget, the cost of the watermain works (Project ID 5141771301) is in excess of the approved budget. Consequently and in order to award the contract, additional funding in the sum of \$575,000 will be required. This increase in funding is primarily due to cost escalation and additional watermain works included in the project subsequent to budget approval.

Alternatives for Consideration – See Page 2

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: The increased cost (\$575,000) for the watermain replacement (5141771301) can be funded by an appropriation transfer of surplus funds due to favourable tenders in the 2016 watermain replacement program (5141671301).

Staffing: None

Legal: None

HISTORICAL BACKGROUND

Due to the watermain and road condition this project was identified in the 2015 Capital Budget, as a coordinated road and watermain replacement project to be tendered and constructed in 2017 (Appendix “B”).

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

N/A

RELEVANT CONSULTATION

The following City Division(s) have been consulted and are in agreement with the recommendations of this report:

- Finance and Corporate Services

ANALYSIS AND RATIONALE FOR RECOMMENDATION

With respect to this contract, the combination of additional watermain works included subsequent to budget approval along with cost escalation has resulted in a situation where insufficient funds are available to complete the tendered watermain works.

ALTERNATIVES FOR CONSIDERATION

Alternative 1: Cancel the project.

Alternative 2: Partial award to complete some work within the existing budget and award the remainder in 2018 with funding to be proposed through the 2018 Capital Budget Process. This may cause an increase in unit rates and allow the watermain and road to further deteriorate.

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Clean and Green

Hamilton is environmentally sustainable with a healthy balance of natural and urban spaces.

Built Environment and Infrastructure

Hamilton is supported by state of the art infrastructure, transportation options, buildings and public spaces that create a dynamic City.

OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

Our People and Performance

Hamiltonians have a high level of trust and confidence in their City government.

APPENDICES AND SCHEDULES ATTACHED

Appendix A: Schedule A - Tender Information Summary

Appendix B: Map (Buchanan Neighbourhood) – Sanatorium / Westaway / W15th / W17th / W18th

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