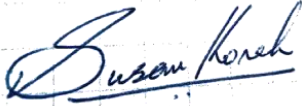




**CITY OF HAMILTON**  
**PUBLIC WORKS DEPARTMENT**  
**Engineering Services Division**

<b>TO:</b>	Chair and Members Public Works Committee
<b>COMMITTEE DATE:</b>	March 21, 2022
<b>SUBJECT/REPORT NO:</b>	Appropriation Transfer of Funds for Dewitt Road - Highway 8 to Barton Street (PW22014) (Ward 10)
<b>WARD(S) AFFECTED:</b>	Ward 10
<b>PREPARED BY:</b>	Erika Waite (905) 546-2424 Ext. 6397
<b>SUBMITTED BY:</b>	Susan Jacob Acting Director of Engineering Services Public Works Department
<b>SIGNATURE:</b>	

**RECOMMENDATION**

- (a) That the General Manager of Public Works be authorized and directed to award Tender C15-76-21 (HS) Dewitt Road and Highway 8 - Sewer, Watermains, Roadway, Curb and Sidewalk Reconstruction to Coco Paving Inc. in the amount of \$4,173,238 (not including contingency and non-refundable HST) and that the General Manager of Public Works be authorized to execute, on behalf of the City of Hamilton, all agreements and other documents necessary to implement this award on confirmation that each such agreement be in a form satisfactory to the City Solicitor; and,
- (b) That the budget and financing plan for DeWitt Road Sanitary Sewer – Highway 8 to Barton Street project (# 5162171025), totaling \$3,261,000, be amended and approved from the following sources referenced in Appendix “A” to Report PW22014:
- (i) \$1,700,000 from rate revenues as approved in the 2021 and 2022 capital budgets;
  - (ii) An additional \$780,500 from the Linear Wastewater Development Charges Reserves (\$483,910 from Reserve #110340 and \$296,590 from Reserve #110341);

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- (iii) A capital budget appropriation of previously approved Linear Wastewater Development Charges of \$200,000 from the 2017 Intensification Infrastructure Upgrades project (#5161796011);
- (iv) A capital budget appropriation of previously approved Linear Wastewater Development Charges of \$200,000 from the 2019 Intensification Infrastructure Upgrades project (#5161996011);
- (v) A capital budget appropriation of previously approved rate revenues of \$380,500 from the Dewitt Road Sanitary Sewer – Barton Street to South Service Road project (#5162280280).

**EXECUTIVE SUMMARY**

The scope of work for Dewitt Road from Highway 8 to Barton Street was expanded from road resurfacing in the 2019 budget to include sewer capacity upgrades as part of the 2022 construction. As programming and design progressed, it was determined that the sanitary sewer along this section of road required upgrading (increase in capacity) to support two active redevelopment projects along the route, in addition to supporting further intensification. In coordination with the Planning and Economic Development Department, the sewer upgrade was added to the resurfacing project as coordinating works in 2021 (see Appendix “B” to Report PW22014).

In addition to the sewer upgrade changes to the project scope, project costs have been impacted as a direct result of Ontario Regulation 406/19 – On Site and Excess Soil Management, which came into effect on January 1<sup>st</sup>, 2022.

The total estimated approved budget available for the Dewitt Road – Highway 8 to Barton tender is \$3,042,000. In January 2022, Request for Tenders C15-76-21 Dewitt Road and Highway 8 - Sewer, Watermains, Roadway, Curb and Sidewalk Reconstruction was issued, and the City received eight (8) bids of which, the lowest compliant bid received was from Coco Paving Inc. The tender bid including contingency and non-recoverable HST, is \$4,602,847. An increase of \$1,561,000 for the sanitary sewer component is required in order to award the tender.

The contract involves:

1. Road reconstruction:
  - Dewitt Road from south of Highway 8 to North of Juniper Drive,
  - Dewitt Road from South of Macintosh Drive/Cresthaven Drive to Dupont Street;

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2. Road resurfacing:
  - Dewitt Road from North of Juniper Drive to South of Macintosh Drive/Cresthaven Drive,
  - Dewitt Road from Dupont street to Barton Street;
3. Sanitary sewer replacement:
  - Highway 8 from Dewitt Road to 100m Westerly,
  - Dewitt Road from Highway 8 to North of Juniper Drive,
  - Dewitt Road from South of Macintosh Drive/Cresthaven Drive to Dupont Street,
  - sewer lateral replacement,
  - road restoration (Highway 8 from Dewitt Road to 100m Westerly);
4. Curb, sidewalks and approaches reconstruction;
5. Traffic signal and street lighting works.

Budget adjustments through the transfer of funds for the wastewater section of the contract are required in order to award the Tender C15-76-21 (HS).

**Alternatives for Consideration – See Page 5**

**FINANCIAL – STAFFING – LEGAL IMPLICATIONS**

Financial: The total required funding increase to the Dewitt Road Sanitary Sewer – Highway 8 to Barton Street project is \$1,561,000. As per the 2019 Development Charges Background Study, 50% of the wastewater intensification costs benefit the existing infrastructure and 50% is attributable to development (62% Residential and 38% Non-Residential).

The total cost of upgrading the sanitary sewer on Dewitt Road from Highway 8 to Barton Street is \$3,261,000. The increased sewer cost attributed to development (\$1,561,000) is recommended to be funded by an additional transfer from the Linear Wastewater Development Charges Reserves (\$780,500), as well as capital budget appropriations from the 2017 Intensification Infrastructure Upgrades project (\$200,000), the 2019 Intensification Infrastructure Upgrades project (\$200,000) and the Dewitt Road Sanitary Sewer – Barton Street to South Service Road project (\$380,500).

Staffing: None

Legal: None

## **HISTORICAL BACKGROUND**

The scope of work for Dewitt Road from Highway 8 to Barton Street was expanded from road resurfacing in the 2019 budget to include sewer capacity upgrades for the 2022 construction. In 2021, as programming and design progressed, it was determined that the sanitary sewer along this section of road required upgrading (increase in capacity) to support two active redevelopment projects along the route and support further intensification.

Increasing the sanitary sewer capacity requires full replacement of the existing sewer with a larger diameter sewer, including the full restoration of the road and surface infrastructure impacted by the upgrade.

Within the tender bids received for the project, the cost for the sanitary sewer works were higher than estimated. The variance in estimated costs require an appropriation through transfer of funds, attributed to the above-mentioned scope requirements to increase capacity and subsequent project limit extension, as well as unforeseen pressures realized after the original budgeting of the project; costs were impacted as a direct result of Ontario Regulation 406/19-Onsite and Excess Soil Management, and overall material and labour cost increases caused by the pandemic.

## **POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

In accordance with the 2019 Development Charges Background Study, the sanitary sewer upgrade is eligible for 50% DC contribution as it will support two active redevelopment projects and further intensification in the corridor.

The award of the tender for C15-76-21 is in accordance with By-Law 21-215, Procurement Policy, Policy #2 Approval Authority which states:

- (3) The Client Department in conjunction with the Procurement Section shall submit a report to Council and the appropriate standing committee recommending award of an RFT or RFP if ANY of the following conditions apply:
  - (b) for capital projects, when the final competitively procured cost of the proposed procurement exceeds the amount provided in the Council approved capital budget for that project by \$250,000 or greater.

## **RELEVANT CONSULTATION**

The project consultations include consultation with Planning and Economic Development Department and Corporate Services Department – Budgets

and Financial Policy.

## **ANALYSIS AND RATIONALE FOR RECOMMENDATION**

The Departments of Public Works, Engineering Services Division and Planning and Economic Development, Infrastructure Planning Division, have provided funding source recommendations in order to allow for the award and completion of the Dewitt Road from Highway 8 to Barton Street project C15-76-21(HS).

## **ALTERNATIVES FOR CONSIDERATION**

An alternative for consideration is to not award the tender and defer the project construction to 2023. In this case, existing funds will be maintained and earmarked to fund the 2023 construction, and the required additional funds would be requested for approval through the 2023 capital budget process. This may result in the need to alter the timing of other currently proposed projects in the short-term forecast.

Any such deferral will result in delay of site development intensification due to insufficient sewer capacity, declining service levels and increased risk and liability,

Financial: Inflationary increases in construction costs could be experienced and well as increased roadway maintenance costs due to the condition of the pavement.

Staffing: Additional staff time will be required to update tender documents and procure the project again.

Legal: None

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

### **Community Engagement and Participation**

Hamilton has an open, transparent and accessible approach to City government that engages with and empowers all citizens to be involved in their community

### **Economic Prosperity and Growth**

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

**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 People and Performance**

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

**APPENDICES AND SCHEDULES ATTACHED**

Appendix “A” to Report PW22014 - Schedule B – Appropriation Adjustment Schedule

Appendix “B” to Report PW22014 - Location Map – Dewitt Road