




CITY OF HAMILTON
PUBLIC WORKS DEPARTMENT
Engineering Services Division

TO:	Chair and Members Public Works Committee
COMMITTEE DATE:	May 16, 2022
SUBJECT/REPORT NO:	Appropriation Transfer of Funds for Barton Street East – Parkdale to Talbot – 2022 Construction Project (PW22038) (Ward 4)
WARD(S) AFFECTED:	Ward 4
PREPARED BY:	Erika Waite (905) 546-2424 Ext. 6397 Michael Becke (905) 546-2424 Ext. 4278
SUBMITTED BY:	Susan Jacob Acting Director of Engineering Services Public Works Department
SIGNATURE:	

RECOMMENDATION

- (a) That Council approve the award of C15-02-22 (HSW) Barton Street East – Parkdale to Talbot Reconstruction, pursuant to Procurement Policy #5.3 Request for Tenders, to Coco Paving Inc., in the amount of \$8,086,000 (not including Contingency and Non-Refundable HST), and that the General Manager, Public Works Department be authorized to negotiate, enter into and execute any required Contract and any ancillary documents required to give effect thereto with Coco Paving Inc., in a form satisfactory to the City Solicitor;
- (b) That the increase of \$883,000, from \$2,270,000 to \$3,153,000, in the budget for Barton Street East Road Reconstruction – Parkdale to Talbot project (#4031919110), be funded by an appropriation of previously approved Capital Levy funds from the Bridge 163 - Centennial Parkway North, 540m n/o Barton project (#4031118126) as referenced in Appendix “A” attached to Report PW22038;
- (c) That the budget and financing plan for Barton Street East Watermain – Parkdale to Talbot (#5142171310), totaling \$1,200,000 be amended and

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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.

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approved, resulting in an increase of \$582,000, from \$1,200,000 to \$1,782,000 to be funded from the following sources as referenced in Appendix “A” attached to Report PW22038:

- (i) A capital budget appropriation of previously approved rates revenues of \$360,000 from Parkdale - Burlington to north end & Steel City Court project (#5141971310);
- (ii) A capital budget appropriation of previously approved rates revenues of \$107,000 from Parkdale - Burlington to north end & Steel City Court project (#5141970010);
- (iii) A capital budget appropriation of previously approved rates revenues of \$115,000 from Charlton 750mm WM Lining project (#5142160073).

EXECUTIVE SUMMARY

Barton Street East – Parkdale to Talbot (see Appendix “B” attached to Report PW22038) is identified within the 2019 to 2021 Capital Budgets for construction in 2022.

The total estimated approved budget available for the Barton Street East – Parkdale to Talbot tender is \$7,583,000. In March 2022, Request for Tenders C15-02-22 Barton Street East – Parkdale to Talbot Reconstruction was issued, and the lowest compliant bid received was from Coco Paving Inc. in the amount of \$8,086,000 (see Appendix “C” attached to Report PW22038), not including contingency and non-recoverable HST. An increase of \$1,465,000 is required in order to award the contract.

The contract works includes watermain replacement and storm sewer construction. Road reconstruction will also take place that will include enhanced pedestrian facilities including reconstructed sidewalk, AODA compliant ramps, pedestrian crossovers and multi-use path construction. Traffic signal and street lighting work will also be completed.

Budget adjustments through transfer of funds for the road and watermain section of the contract are required in order to award the contract C15-02-22 (HSW).

Alternatives for Consideration – See Page 5

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: The increased levy supported cost (\$883,000) for Capital Project Barton Street East – Parkdale to Talbot (#4031919110) can be funded by an appropriation transfer of surplus levy funds due to favourable tender and

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unused contingency in Capital Project Bridge 163 - Centennial Parkway North, 540m n/o Barton (#4031118126).

The increased rates supported cost (\$582,000) for Capital Project Barton Street East – Parkdale to Talbot (#5142171310) can be funded by an appropriation transfer of surplus rates funds due to favourable tender and unused contingency in the following Capital Projects:

- i) \$360,000 from Capital Project Parkdale – Burlington to north end & Steel City Court (#5141971310);
- ii) \$107,000 from Capital Project Parkdale – Burlington to north end & Steel City Court (#5141970010);
- iii) \$115,000 from Capital Project Charlton 750mm Watermain Lining. (#5142160073)

Staffing: None

Legal: None

HISTORICAL BACKGROUND

Barton Street East from Parkdale Avenue to Talbot Street was identified for reconstruction through condition-based assessment of the road and coordinated within the capital program to include traffic, watermain, and stormwater improvements. Watermain and storm sewer installation were required to improve service conditions of those assets.

The coordinated project required land acquisition, relocation of utilities and poles, replacement of the 4-lane road (2-lanes in each direction with intersection turn lanes), curb and gutter, sidewalks, traffic signals and signs, street lighting, watermain and storm sewer installations, pedestrian crossover, traffic islands and streetscaping.

Tender bids received in 2022 for the road coordinated works were higher than estimated in 2021. The municipal sector is experiencing significant pricing fluctuations and challenges on the acquisition of good and services. The geo-political situation has contributed to delays in acquiring products and increased materials and fuel pricing. The pricing and inflationary trends that are emerging could not have been anticipated when the 2022 budget was being planned. The variance in estimated costs and required appropriation through transfer of funds is attributed to the above-mentioned scope requirements and geo-political impacts affecting construction pricing. Three out of the eight significant road construction projects that were put out for tender in 2022 have experienced budget shortages. There is high likelihood for this trend will continue for at least the remainder of the year.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

By-Law 21-215 Procurement Policy, Policy #2 Approval Authority, Policy #5.3 Request for Tenders

RELEVANT CONSULTATION

The project consultations include the consultation with Public Works Department, Hamilton Water and Transit Division, Environmental Services Division, Forestry & Horticulture Section, and other City Departments.

The Ward Councillor was consulted and is in agreement with the recommendations.

Consultation with the adjacent businesses, property owners, utilities and government agencies were also completed.

Corporate Services Department, Financial Services and Taxation Division, Procurement Section provided guidance with respect to adherence to the Procurement Policy.

The Procurement Policy, Policy 2 – Approval Authority, subsection (3) 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”

ANALYSIS AND RATIONALE FOR RECOMMENDATION

The road reconstruction will not only address the current poor condition of the road, but will also facilitate a new storm relief sewer to help alleviate a portion of the local combined sewer system by separating the storm sewer. Watermain replacement and upsizing will ensure that the supply of the water network is also in good operation and dependable to the user. Delaying this work would require additional maintenance costs as well as potentially increased costs due to the current inflationary trends being seen in materials, labour and fuel.

The Public Works Department, Engineering Services Division provides funding source recommendations in order to allow for the award and completion of Barton Street East – Parkdale to Talbot project C15-02-22(HSW).

ALTERNATIVES FOR CONSIDERATION

An alternative for consideration is to not award the tender and defer the project construction to year 2023.

Financial: In this case, existing funds will be maintained and earmarked to fund 2023 construction, and the required additional funds will be requested for approval through the 2023 budget process. This may result in the need to alter the timing of other currently proposed projects in the short-term forecast.

With the current inflationary trends, the project costs may increase beyond the current competitively sourced bid.

Staffing: N/A

Legal: Any such deferral will result in declining service levels increasing risk and liability along with increased maintenance costs of the road, sewer and water network in this area.

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” attached to Report PW22038 - Appropriation Adjustment Summary

Appendix “B” attached to Report PW22038 - Ward Map, Barton Street Reconstruction
(Parkdale Avenue to Talbot Street)

Appendix “C” attached to Report PW22038 - Tender Information Summary