



CITY OF HAMILTON
PUBLIC WORKS DEPARTMENT
Engineering Services Division

TO:	Chair and Members Public Works Committee
COMMITTEE DATE:	May 13, 2024
SUBJECT/REPORT NO:	Appropriation Transfer of Funds for Bridge 296 Governors Road Rehabilitation (PW24032) (Ward 13)
WARD(S) AFFECTED:	Ward 13
PREPARED BY:	Ed English (905) 546-2424 Ext. 5461
SUBMITTED BY:	Jackie Kennedy Director, Engineering Services Division Public Works Department
SIGNATURE:	

RECOMMENDATION

- (a) That the General Manager, Public Works be authorized and directed to award Contract C15-20-23 (BRHW) Bridge 296 Governors Road Rehabilitation in the amount of \$4,145,843.00 (not including contingency and Non-Refundable HST) and execute the contract and any ancillary documents required to give effect thereto with Decew Construction Inc., in a form satisfactory to the City Solicitor;
- (b) That a budget adjustment be approved to increase Capital Project ID 4031818296 (Bridge 296 Governors Road Rehabilitation) by \$425,000 from \$2,340,000 to \$2,765,000 and that this increase be funded by a transfer of previously approved funding of \$425,000 from Project ID 4031918126 (Bridge 126 – Regional Road 56,605m n/o Guyatt Road);
- (c) That a budget adjustment be approved to increase Capital Project ID 4032219196 (Governor's – Main to Ogilvie) by \$215,000 from \$1,476,000 to \$1,691,000 and that this increase be funded by a transfer of previously approved funding of \$215,000 from Project ID 4031918126 (Bridge 126 – Regional Rd 56, 605m n/o Guyatt Road);
- (d) That a budget adjustment be approved to increase Capital Project ID 5142271296 (Bridge 296 watermain replacement) by \$298,000 from \$485,000 to \$783,000 and that this increase be funded by a transfer of previously approved

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.

SUBJECT: Appropriation Transfer of Funds for Bridge 296 Governors Road Rehabilitation (PW24032) (Ward 13) – Page 2 of 6

Rate revenues of \$298,000 from Project ID 5142360080 (Valve Replacement Program).

EXECUTIVE SUMMARY

Bridge 296 Governors Road Rehabilitation was identified within the 2018-2023 Capital Budgets and scheduled for construction in 2023.

In early 2023, Procurement staff issued request for tenders C15-20-23 (BRHW) Bridge 296 Governors Road Rehabilitation and awarded the contract on April 12, 2023 to Seawaves Development Services Inc. In accordance with Procurement Policy #8, section 5 (b), the contract was subsequently terminated and the Manager of Procurement, in consultation with the client department, entered into negotiations with the second lowest bidder of the original request for tenders, Decew Construction Inc. (“Decew”).

The total approved budget available for the Bridge 296 Governors Road Rehabilitation project is \$3,739,911.67. The Tender Bid from Decew Construction Inc. including contingency and non-recoverable HST is \$4,676,729.84, which exceeds the available budget. Therefore, an increase of \$936,818.17 is required in order to issue the Purchase Order to Decew Construction Inc.

Scope of Work for the Bridge 296 Governors Road Rehabilitation project includes:

- 4,800 square metres of road reconstruction
- 700 square metres of road resurfacing
- 300 lineal metres of 300mm diameter watermain
- 660 lineal metres of curb reconstruction
- 1,200 square metres of concrete sidewalk and approaches
- Construction of Temporary Traffic Signal Underground – Governors Road at Ogilvie Street
- Construction of New Traffic Signal Underground – Governors Road at Ogilvie Street
- Construction of Temporary Traffic Signal Underground
- Construction of New Traffic Signal Underground
- Pavement markings
- Concrete repairs to deck top and waterproofing
- Concrete repairs to parapet walls, approach slab and bridge railing system
- Trunk Sanitary Sewer bridge pier column refacing and bearing assembly.

Alternatives for Consideration – See Page 4

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.

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: The total required increase for bridge rehabilitation of Bridge 296 - Governors Road is \$425,000 and can be funded by a transfer of previously approved funding from Project ID 4031918126 (Bridge 126 – Regional Rd 56, 605m n/o Guyatt Road).

The total required increase for road reconstruction on Governors – Main to Ogilvie is \$215,000 and can be funded by a transfer of previously approved funding from Project ID 4031918126 (Bridge 126 – Regional Rd 56, 605m n/o Guyatt Rd).

The total required increase for the watermain replacement on Bridge 296 is \$298,000 and can be funded by a transfer of previously approved Rate revenues from Project ID 5142360080 (Valve Replacement Program).

Staffing: N/A

Legal: N/A

HISTORICAL BACKGROUND

The 2018 Ontario Structure Inspection Manual (OSIM) inspection identified that the bridge deck soffit, railing system, wingwalls and abutments, piers, and sidewalks exhibit significant deterioration and require major repairs within 1–5 years. Hence, a major rehabilitation was necessary to maintain the structure in a safe condition.

The roadway has become structurally deficient and is in need of reconstruction. This will improve the level-of-service (i.e., road condition and rideability), increase safety and reduce maintenance costs.

Watermain replacement and upgrades are required to improve neighbourhood performance (capacity and condition) and provide operational redundancy. Replacement of bridge sewer supports is also required due to poor condition.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

This report is in accordance with the following City of Hamilton Procurement Policies:

Policy #2 – Approval Authority, section 3(b) which states:

“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:

SUBJECT: Appropriation Transfer of Funds for Bridge 296 Governors Road Rehabilitation (PW24032) (Ward 13) – Page 4 of 6

- (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”

Policy #8 – Vendor performance Evaluation 5(b) which states:

“In the event of a vendor’s breach of a City Contract, the manager of Procurement in consultation with the Client Department shall have the discretion to either:

- (a) re-issue the RFQ, RFT or RFP; or
(b) negotiate and enter into a new Contract for the remainder of the Contract with the second lowest bidder of the original RFT or RFQ, or the next qualified Proposal of the original RFP.”

RELEVANT CONSULTATION

The following parties have been consulted with during the development of this report:

- Corporate Services Department - Procurement Division assisted with the negotiations and preparation of the award of this project to Decew Construction Inc.
- Corporate Services Department – Legal Services Division
 - Corporate Services Department - Financial Planning, Administration & Policy Division

ANALYSIS AND RATIONALE FOR RECOMMENDATION

In early 2023, Procurement staff issued request for tenders C15-20-23 (BRHW) Bridge 296 Governors Road Rehabilitation and awarded the contract on April 12, 2023 to Seawaves Development Services Inc in the amount of \$4,043,943.50.

In November 2023, Report FCS23112 Commercial Relationship Between City of Hamilton and Seawaves Development Services Inc. (“Seawaves”) was presented and approved by the Procurement Sub-Committee and then further approved by the Audit, Finance and Administration Committee and Council. On April 8, 2024, in accordance with Procurement Policy #8, section 5 (b), Contract C15-20-23 with Seawaves was subsequently terminated and the Manager of Procurement, in consultation with the client department, entered into negotiations with the second lowest bidder of the original request for tenders, Decew Construction Inc. (“Decew”).

The amount of value-added work completed on the project by the initial vendor was minimal, therefore the negotiations with Decew included almost all the work indicated in the original Tender. Decew’s originally tendered bid to the competitive request for tenders process was \$4,132,103.00, submitted on March 2, 2023 (a difference of

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.

SUBJECT: Appropriation Transfer of Funds for Bridge 296 Governors Road Rehabilitation (PW24032) (Ward 13) – Page 5 of 6

\$88,159.50 or approximately 2.18 percent above Seawaves' bid). As per Procurement Policy #8, the resulting negotiations were successful, only requiring \$13,740.00 in additional costs over Decew's originally tendered bid and pertained to the requirement for addition of water services required and the reduction of traffic services already in place.

Staff has confidence that Decew has the experience and capacity to complete the work within the strict timeline requirements set out in the contract, which include completing all in-water works by September 15, 2024 (to comply with the requirements of Hamilton Conservation Authority and Fisheries and Oceans Canada) and completing all works on Governor's Road by November 30, 2024.

To clarify, additional funds are required for the following:

- Amount previously paid to Seawaves \$555,441.80
- Price difference between Seawaves and Decew \$88,159.50
- Addition of water services (\$31,520), less (\$17,780) for traffic services previously installed \$13,740.00
- Contingency increase to meet City standard and coverage for non-recoverable HST (\$279,476.87)

Based on the above, the increase required totals \$936,818.17.

The Engineering Services Division has provided funding source recommendations in order to allow for completion of the Bridge 296 project C15-20-23 (BRHW) (see Appendix "A" to Report PW24032). Staff in the Budgets and Fiscal Policy Section has reviewed the availability of funds as recommended.

ALTERNATIVES FOR CONSIDERATION

An alternative for consideration is to not approve the Appropriation Transfer of Funds and defer the project construction to 2025 or later. In this case, existing funds will be maintained and earmarked to fund the 2025 or later construction, and the required additional funds would be requested in a future Appropriation Transfer of Funds or approval through the 2025 capital budget process.

Any such deferral will result in delay of much needed rehabilitation of both Bridge 296 and Governors Road, declining performance, increased risk and liability and increased maintenance costs.

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

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.

**SUBJECT: Appropriation Transfer of Funds for Bridge 296 Governors Road
Rehabilitation (PW24032) (Ward 13) – Page 6 of 6**

Staffing: N/A

Legal: N/A

APPENDICES AND SCHEDULES ATTACHED

Appendix “A” to Report PW24032 – Appropriation Adjustment Schedule – Bridge 296 –
Governors Road

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.