



Report to: General Committee

Meeting Date: April 18, 2017

SUBJECT: Award of Construction Tender 271-T-16 West Thornhill – Phase 2B Storm Sewer Replacement

PREPARED BY: Prathapan Kumar, Senior Manager, Environmental Services, Ext. 2989
Flora Chan, Senior Buyer, Ext. 3189

RECOMMENDATIONS:

- 1) THAT the report entitled “Award of Construction Tender 271-T-16 West Thornhill – Phase 2B Storm Sewer and Watermain Replacement” be received;
- 2) AND THAT the contract for Tender 271-T-16 West Thornhill – Phase 2B Storm Sewer Replacement be awarded to the lowest priced Bidder, Lancorp Construction Co Ltd., in the amount of \$7,525,712.37, inclusive of HST;
- 3) AND THAT a 10% contingency in the amount of \$752,571.24, inclusive of HST, be established to cover any additional construction costs and that authorization to approve expenditures of this contingency amount up to the specified limit be in accordance with the Expenditure Control Policy;
- 4) AND THAT the construction award in the amount of \$8,278,283.61 be funded from the capital project 058-6150-17201-005 “West Thornhill Flood Control Construction - Phase 2B” as outlined under the financial considerations section in this report;
- 5) AND THAT the Chief Administrative Officer be authorized to execute an agreement with York Region District School Board and any related documents to acquire a permanent easement (the “Required Easement”) over the lands described as Part of Lot 26, Registrar’s Compiled Plan 10327, Markham, being Part 1 on Plan 65R-37026, in a form satisfactory to the Chief Administrative Officer and City Solicitor;
- 6) AND THAT funding for the acquisition of the Required Easement in the amount of \$472,501.22 (inclusive of legal costs, Land Transfer Tax, HST and contingency) be funded from the capital project account # 058-6150-17201-005 “West Thornhill Flood Control Construction - Phase 2B” as outlined under the financial considerations section in this report;
- 7) AND THAT the Manager of Real Property be authorized to execute any agreements and/or documents with third parties required to obtain permission to construct the West-Thornhill - Phase 2B Storm Sewer and Watermain Replacement in a form satisfactory to the Manager of Real Property and the City Solicitor;
- 8) AND THAT the budget remaining in project #17201 “West Thornhill Flood Control Construction - Phase 2B” in the amount of \$448,505.17 will be returned to the original funding source;
- 9) AND THAT Staff be authorized and directed to do all things necessary to give effect to this resolution.

PURPOSE:

The purpose of this report is to obtain Council approval to award the contract for the West Thornhill – Phase 2B Storm Sewer Replacement and to secure the easement from York Region District School Board (YRDSB).

BACKGROUND:

The stormwater flood control implementation strategy was approved by Council on November 8, 2011 for the West Thornhill area in accordance with the City's November 2010 Class EA Study. The City-wide Flood Control Program is a 30 year program with an estimated cost of \$234M - \$288M (2014 dollars). The first phase (1A, 1B & 1C) of the remediation includes storm sewer capacity upgrades in the Bayview Glen neighbourhood and the second phase (2A, 2B, 2C & 2D) includes the Grandview area. Phase 1 and 2 was proposed to be completed in a 5-year period by 2019 as outlined in the table below:

Area	Proposed Implementation Schedule	Status
Phase 1A: Bayview Glen Area	2014 - 2015	Total Completion as of Nov 2016; Maintenance completion Nov 2017
Phase 1B: Bayview Glen Area	2015 - 2016	Substantially completed as of Aug 2016; Maintenance completion Aug 2018
Phase 1C: Canadiana Road	2016	Substantially completed as of Dec 2016; Maintenance completion Dec 2018;
Phase 2A: Grandview Area	2016 - 2017	Substantially completed as of Dec 2016; Maintenance completion Dec 2018
Phase 2B: Grandview Area (Park & Proctor Ave) (This Award)	2017 - 2018	Construction Commencement: Mid May 2017
Phase 2C: Grandview Area	2018 - 2019	
Phase 2D: Grandview Area	2019 - 2020	
Phase 3: Clark Ave/ Henderson Area	2020 - 2022	
Phase 4: Royal Orchard Area	2022 - 2025	

To support the program, on June 24, 2014, Council approved the structure of the stormwater fee rates in order to meet the annual revenue target for the first 5-year cycle of the Program. The new stormwater fee is a 30-year initiative, to improve storm drainage capacity and limit flooding risks in urban areas.

On June 24, 2014 Council approved a \$47 annual fee per residential property commencing 2015 and on September 28, 2015 Council approved \$29 annual fee per \$100,000 of current value assessment (CVA) for non-residential properties commencing 2016. Stormwater Fee will be re-assessed again in 2020.

Construction Tender for Phase 2B

Due to the scope of the project, contractors were prequalified to ensure that they had the necessary qualifications, experience and resources to complete the work in accordance with the

City's requirements and within the specified timelines. Prequalification 279-P-13 was issued in accordance with the Purchasing By-law 2004-341.

Pre-Qualification Information (279-P-13)

Advertised	ETN
Prequalification closed on	October 29, 2013
Number of Contractors picking up the Pre-qualification document	16
Number of Contractors responding to the Pre-qualification	12
Number of Contractors Pre-qualified	6

Construction Tender Information (271-T-16)

Advertised	ETN
Bids closed on	March 27, 2017
Number picking up the Bid document	4
Number responding to the Bid	4

Note: two (2) bidders that were pre-qualified did not pick up the bid document or submit a bid.

Price Summary

Bidder	Bid Price (Incl. of HST)
Lancorp Construction Co Ltd.	7,525,712.37
KAPP Contracting Inc.	7,861,264.43
Dagmar Construction Inc.	9,437,063.13
Elipra Construction & Materials Ltd.	9,617,970.30

OPTIONS/ DISCUSSION:

Work within Grandview Park

During the design stage, staff identified the storm sewer alignment constraints (relating to the previously proposed alignment that was not within Grandview Park):

- associated with the preliminary Class EA alignment due to limited availability of easements through parking lot of the private commercial property; and
- related to a 900mm diameter Toronto transmission watermain through the study area.

A preferred storm sewer realignment through Grandview Park and through the Henderson Public School frontage was identified for the following reasons:

- To avoid the need to acquire easements from private landowners. The revised alignment would require an easement (150m L x 10m W) through the Henderson Avenue Public School frontage/open space from York Region District School Board (YRDSB). Staff believes that it is easier to acquire an easement from YRDSB than private commercial property owners.
- To reduce costs by avoiding the replacement of large sewers on Doncaster Ave. Staff believe that it would be less costly to 'twin' the system through the park; and
- To minimize traffic disruptions during construction by limiting roadway reconstruction on Doncaster Ave.

Work within the Grandview Park area will commence by mid May 2017 and be completed by mid July 2017.

Required Easement Acquisition from YRDSB

Discussions with YRDSB staff in late 2016 indicated general acceptance of the proposed sewer alignment. A letter agreeing to the location of the proposed easement was provided by the YRDSB to support the City's permit applications (MOECC, TRCA) related to the sewer construction.

Staff has negotiated the purchase price for acquiring the Required Easement with YRDSB based on fair market value and standard industry practice. Under the Education Act, Ontario regulation 444/98 references the Disposition of Surplus Real Property (including easements), which provides the school board with authority to grant an easement for compensation that it considers reasonable. The compensation for acquiring the easement based on fair market value is consistent with this regulation and standard industry practice. The City would apply a similar approach when granting an easement to the School Board. The fee for this easement is calculated as follows:

- Unit Rate = \$2,415,000/acre x 50% standard reduction for a permanent easement = \$1,207,500/acre
- Required Easement Purchase Price= 0.362 acres x \$1,207,500/acre = \$437,115 or \$444,808.22 inclusive of HST

In addition to the purchase price payable to YRDSB for the Required Easement, staff anticipates an additional cost of \$27,693 to complete the acquisition, which includes Land Transfer Tax (approximately \$5,200), HST (approximately \$7,700), contingency and legal/due diligence costs).

YRDSB will be seeking approval from its Board in April 2017 to convey the Required Easement to the City on the above noted terms. Staff recommends that Council approve acquiring the Required Easement from YRDSB on the terms set out above.

Public Input

A Public Information Committee (PIC) meeting was held on March 29, 2017, prior to construction, to provide an update to the area residents and businesses, as well as to address any potential issues or concerns that the public may have on the proposed construction.

Traffic Management Plan

The objective of the traffic management plan is to limit the traffic within the construction zone (only local traffic will be allowed) and divert through traffic onto adjacent roadways.

Communications Plan

Staff will be providing regular updates to the affected stakeholders as well as providing early notification for any disruptions to driveway access or municipal services. The City of Markham's website will also be updated as required to provide up-to-date information on the status of the project.

Project Schedule for Phase 2B:

- Early May 2017 - Issue of Purchase Order
- May 15, 2017 - Commencement of work within Grandview Park
- Mid July 2017 - Completion of work within Grandview Park
- December 22, 2017 - Completion of 80% work to base asphalt
- January to Spring 2018 - Winter Shutdown
- Spring 2018 to Summer 2018 - Complete remaining 20% work, top asphalt, restoration etc

FINANCIAL CONSIDERATIONS AND TEMPLATE:

The following table summarizes the financial considerations for Phase 2B:

	Storm	
Budget Allocation	\$10,117,600.00	058-6150-17201-005 West Thornhill Flood Control Construction – Phase 2B
Budget Available for Construction (A)	\$9,199,290.00	
Less: Construction Cost	\$7,525,712.37	} Award including HST Impact to Lancorp Construction Co Ltd.
Less: Construction Contingency (10%)	\$752,571.24	
Total Construction Cost (B)	\$8,278,283.61	
Easement Cost (C)	\$444,808.22 \$ 27,693.00 \$472,501.22	Cost to acquire Required Easement incl. HST impact Acquisition, Land transfer tax, Legal & Contingency Total Easement Cost
Budget Remaining (A – B- C)	\$ 448,505.17	

The remaining funds in project #17201 “West Thornhill Flood Control Construction - Phase 2B” in the amount \$448,505.17 will be returned to original funding sources.

OPERATING BUDGET AND LIFE CYCLE RESERVE IMPACT

The constructed stormwater pipes and associated infrastructure is estimated to last 100 years. As such, there is no impact to the Life Cycle Replacement and Capital Reserve which takes into account capital replacements within 25 years. There is no operating budget impact.

ALIGNMENT WITH STRATEGIC PRIORITIES:

The proposed flood remediation program is aligned with City’s goal to provide better quality services to the public and is consistent with the Building Markham’s Future Together strategic priority on the “Growth Management” and “Environment” as it considers sustainability on the built environment.

BUSINESS UNITS CONSULTED AND AFFECTED:

Finance and Legal Services departments have been consulted and their comments have been incorporated.

RECOMMENDED BY:

X



Phoebe Fu
Director of Environmental Services

X



(per)

Brenda Librecz
Commissioner, Fire & Community Services

ATTACHMENTS:

[Attachment "A" - Location Map for Phase 2B](#)

[Attachment "B" - West Thornhill Flood Control Implementation Phases](#)

[Attachment "C" - Easement through Henderson Avenue Public School](#)