



Report to: General Committee

Date Report: April 14, 2016

SUBJECT: Award of Construction Tender 017-T-16 West Thornhill – Phase 1C Storm Sewer and Watermain Replacement

PREPARED BY: Prathapan Kumar, Senior Manager, ROW Assets, Ext. 2989
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RECOMMENDATIONS:

- 1) THAT the report entitled “Award of Construction Tender 017-T-16 West Thornhill – Phase 1C Storm Sewer and Watermain Replacement” be received;
- 2) AND THAT the contract for Tender 017-T-16 West Thornhill – Phase 1C Storm Sewer and Watermain Replacement be awarded to the lowest priced Bidder, Kapp Contracting Inc., in the amount of \$2,391,469.60, inclusive of HST;
- 3) AND THAT a 10% contingency in the amount of \$239,146.96, 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 \$2,630,616.56 (\$2,391,469.60 + \$239,146.96) be funded from the following capital projects; 1) 058-6150-15014-005 “West Thornhill Flood Control Construction - Phase 1B & 1C” ; 2) 053-5350-15301-005 “Watermain Construction and Replacement Program – West Thornhill” and 3) 053-5350-16246-005 “Watermain Construction and Replacement Program” as outlined under the financial considerations section in this report;
- 5) AND THAT the budget remaining in project #15301 “Watermain Construction and Replacement Program – West Thornhill” in the amount of \$85,231.23 will be returned to the original funding source;
- 6) AND THAT a 5-year moratorium be placed on any major servicing and utility installation along restored areas in Canadian Road;
- 7) 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 1C Storm Sewer and Watermain Replacement.

BACKGROUND:

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 phases (2A,

2B, 2C & 2D) include 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 | Substantially completed as of Dec 2015 |
| Phase 1B: Bayview Glen Area | 2015 - 2016 | Substantial Completion: August 2016 |
| Phase 1C: Canadiana Road (This Award) | 2016-2017 | Commencement: June 2016 Substantial Completion: Dec 2016 |
| Phase 2A: Grandview Area | 2016 - 2017 | Commencement: May 2016 Substantial Completion: August 2017 |
| Phase 2B: Grandview Area | 2017 - 2018 | |
| Phases 2C & 2D: Grandview Area | 2018 - 2019 | |
| Phase 3: Clark Ave/Henderson Area | 2019 - 2021 | |
| Phase 4: Royal Orchard Area | 2021 - 2024 | |

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.

Construction of these upgrades provides an opportunity to concurrently replace aged cast iron watermain in these areas and to avoid disturbance of the restored roadway and neighborhood twice.

Construction Tender for Phase 1C

Due to the scope of the West Thornhill Flood Control Implementation projects, 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 (017-T-16)

| | |
|------------------------------------|----------------|
| Advertised | ETN |
| Bids closed on | April 12, 2016 |
| Number picking up the Bid document | 6 |
| Number responding to the Bid | 3* |

* Of the three (3) bidders that were pre-qualified but did not submit a bid; all advised that current workload and resources prevented them from bidding.

Price Summary

| Bidder | Bid Price (Incl. of HST) |
|------------------------------|---------------------------------|
| Kapp Contracting Inc. | \$2,391,469.60 |
| Lancorp Construction Co Ltd. | \$2,743,988.77 |
| Dagmar Construction Inc. | \$3,867,250.31 |

OPTIONS/ DISCUSSION:Watermain Replacement

The existing cast iron watermain on Canadiana Road is close to the end of their life cycle. Combined replacement of services will minimize disruption to the local community by avoiding replacement of watermain and repair of the roadway at a later date.

The replacement of cast iron watermain is consistent with the City's strategy to upgrade aged and deficient watermain to improve supply capacity and reliability. Replacement of these old cast iron watermain will also offer improved reliability (less risk of breaks) as well as improve water quality and flows for domestic and fire demand. Based on experience, cast iron watermain are susceptible to internal and external corrosion as they age which leads to poor water quality and increased watermain breaks. The new watermain replacement material will be PVC pipe which has the same lifecycle as cast iron watermain (90 years) and is superior as it is heat resistant, chemical resistant and non-corrosive.

The Tender award includes the replacement of the existing watermain at a cost of \$640,993.69 inclusive of 10% contingency and HST impact.

Public Input

A Public Information Committee (PIC) meeting was held on March 30, 2016, 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.

Construction Moratorium

In early 2014, Asset Management staff advised all utility companies (e.g. Power Stream, Enbridge, Rogers and Bell Canada) that all upgrades to their infrastructure be completed prior to permanent restoration of roads in 2016.

Asset Management staff are requesting that Council approve a 5-year moratorium on major construction work within the roadway of Canadiana Road (from Steeles Avenue East to 163m north), which is to be enforced immediately after construction is substantially complete. Minor and emergency repairs would be permitted. The moratorium would not affect any utility projects within the boulevard area.

Project Schedule for Phase 1C:

- May 2016 – Issue of Purchase Order
- June 1, 2016 – Commencement of Work (No through traffic, access to local residents only)
- December 23, 2016 – Completion of work to base asphalt
- January to Spring 2016 – Winter Shutdown
- Spring 2017 to Summer 2017 – Complete top asphalt and boulevard restoration etc.

FINANCIAL CONSIDERATIONS AND TEMPLATE:

The following table summarizes the financial considerations for Phase 1C:

| | Storm | Water | |
|--|-----------------------|------------------------------|--|
| Budget Available for this Project | \$2,050,000.00 | \$229,643.00 \$496,581.92 | 058-6150-15014-005 “West Thornhill Flood Control Construction - Phase 1B & 1C 053-5350-15301-005 “Watermain Construction and Replacement Program – West Thornhill 053-5350-16246-005 “Watermain Construction and Replacement Program |
| Total Budget Available for this Project (A) | \$2,050,000.00 | \$726,224.92 | |
| Less: Construction Cost | \$1,808,748.06 | \$582,721.54 | } Cost of award with HST Impact |
| Less: Construction Contingency (10%) | \$180,874.81 | \$ 58,272.15 | |
| Total Construction Cost (B) | \$1,989,622.87 | \$640,993.69 | |
| Budget Remaining (A – B) | \$60,377.13 | \$85,231.23 | * |

*The remaining funds in project #15014 “West Thornhill Flood Control Construction - Phase 1B & 1C” in the amount \$60,377.13 will not be required from the Stormwater Fee Reserve. The remaining funds in project #15301 “Watermain Construction and Replacement Program – West Thornhill” in the amount of \$85,231.23 will be returned to the original funding source.

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 department has been consulted and their comments have been incorporated.

RECOMMENDED BY:

02/05/2016

X 

Phoebe Fu
Director, Asset Management

5/2/2016

X 

Brenda Librecz
Commissioner, Fire & Community Services

ATTACHMENTS:

Attachment "A" - Location Map for Phase 1C

Attachment "B" - West Thornhill Program Map

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