

STAFF REPORT

THE CORPORATION OF THE TOWN OF COBOURG



Report to:	Mayor and Council Members	Priority:	<input checked="" type="checkbox"/> High <input type="checkbox"/> Low
Submitted by:	Laurie Wills, P.Eng. Director, Public Works lwills@cobourg.ca	Meeting Type:	Open Session <input checked="" type="checkbox"/> Closed Session <input type="checkbox"/>
Meeting Date:	August 21, 2023		
Report No.:	Public Works-172-23		
Submit comments to Council			

Subject/Title: Award of West Street Reconstruction – Northam Industrial Park, Contract CO-23-13 ENG

RECOMMENDATION:

THAT Council award the capital project contract CO-23-13, West Street Reconstruction to Behan Construction Limited in the amount of \$3,730,155.97 excluding taxes;

AND FURTHER THAT Council allow the pre-approval of \$1,104,000 in Northam Industrial Park capital funds for 2024 to account for the additional budget required to complete the project in 2024.

1. STRATEGIC PLAN

Invest in programs, services and infrastructure to make Cobourg more accessible.

2. PUBLIC ENGAGEMENT

Staff are working with Delcom Property Management within the Northam Industrial Park to coordinate and inform businesses of the planned works and schedules.

3. PURPOSE

The design and reconstruction of West Street within the industrial park is being administered by the Town's Engineering Department and the Town's procurement policy is being followed the same as all capital works. For all budgeted capital

works, Council approval is still required to award a contract regardless of whether the bid is under budget.

4. ORIGIN AND LEGISLATION

2023 Northam Industrial Park Capital budget

5. BACKGROUND

The 2023 capital budget for Northam Industrial Park included for the reconstruction of West Street from Seventh Street to Ewart Street as well as Sixth Street. Through the design process, additional watermain on Boggs Road and Fifth Street was discovered to be in need of replacement which would be most cost efficient to include in the larger contract. LUSI has approved the additional watermain work on Boggs Road by reallocating capital savings from the Westwood Drive contract which came in under budget.

6. ANALYSIS

A public tender was let on July 5th and closed July 25th. Only one bid was received and in following the Town's procurement policy, the tender was extended for an additional two weeks. Upon closing on August 8th, only a single bid was received and Staff were granted Council approval to open the single bid on August 14th.

The single bid received was as follows:

Rank	Contractor	Total Bid (Excluding HST)
1	Behan Construction Limited	\$3,730,155.97

The bid received has been carefully reviewed for accuracy and compared to typical construction bids that have recently being received locally. Prices line up well with typical prices and there were no issues or concerns with the bid prices per line item in the contract.

The Tender was available for bidding for five (5) weeks and only specified for works on Sixth Street to be conducted in 2023. All remaining works on West Street could be completed in 2024 to give contractors ample time to fulfill the contract. Staff have considered the implications of reducing the scope of work to Sixth Street only to stay within budget and retendering West Street as its own contract. There are engineering costs associated with dividing the contract again as well as a duplication of costs to have two contractors mobilize and for the administration of two contracts. Considering the tender was let in mid 2023 for work in 2024, which is typically very attractive for contractors, it is not expected that retendering West Street would attract more or cheaper bids.

The design for this project was a challenging and lengthy process considering the rail spurs, the underground tunnels, the existing non-typical arrangement of underground infrastructure as well as the implementation of a more standard stormwater drainage system. The project has already taken an extra year to plan than expected. The work on Sixth Street has been promised to be completed by the end of 2024 for the current tenants.

Considering the age and condition of the infrastructure within the Park, it is expected that more capital replacement projects will continue to be planned in the near future. There would be no benefit to defer the reconstruction of West and Sixth Street.

7. FINANCIAL IMPLICATIONS/BUDGET IMPACTS

The Northam capital budget accounted for \$3,296,000 which included construction and design estimates up until early 2023. Since budget approval in January 2023 and during detailed design, additional scope was added to the project including watermain work for Fifth Street, servicing to Building 7 as well as other underground deficiencies that needed to be corrected while the road is under construction. Work also involves removing and replacing the rail spur lines in order to install underground services which has added significant costs to the construction as well, all of which justify the budget overage.

During construction, there is often excess soil that requires disposal or relocation. New amendments to the regulation for the management of excess soils have recently been implemented as of January 2023 which now requires significantly more geotechnical investigations and sampling prior to construction in order to delineate contamination if necessary and understand the properties of the soil so that they can be appropriately disposed of or reused onsite.

Costs associated with the geotechnical investigations, design, contract administration, inspection, materials testing during construction as well as a 5% construction contingency, brings the total estimate of works to \$4,400,000 for the Northam budget and \$212,300 for LUSI (Boggs Road).

The total budget summary for the Northam Industrial Park is as follows:

2023 \$3,296,000 (approved)
<u>2024 \$1,104,000 (pre-approved)</u>
Total \$4,400,000

8. CONCLUSION

Behan Construction Limited is a qualified bidder for this work and their prices are representative of the current market. The construction contract requires Council approval for award per the Town's Purchasing Policy.

Report Approval Details

Document Title:	Award of Contract CO-23-13 ENG West Street Reconstruction Northam Industrial Park - Public Works-172-23.docx
Attachments:	
Final Approval Date:	Aug 18, 2023

This report and all of its attachments were approved and signed as outlined below:

Tracey Vaughan, Chief Administrative Officer - Aug 18, 2023 - 12:05 PM