



City of
Peterborough

To: Members of the General Committee

**From: W.H. Jackson,
Commissioner of Infrastructure and Planning Services**

Meeting Date: June 25, 2018

**Subject: Report IPSEC18-019
Increase of Contract Amount of RFT T-30-17 for Donegal Street
Bridge Rehabilitation and Reconstruction of Donegal Street,
McDonnel Street and Gilchrist Street**

Purpose

A report to recommend increasing the contract amount for the Donegal Street Bridge Rehabilitation and Reconstruction of Donegal Street, McDonnel Street and Gilchrist Street.

Recommendations

That Council approve the recommendations outlined in Report IPSEC18-019 dated June 25, 2018, of the Commissioner of Infrastructure and Planning Services, as follows:

- a) That the 2018 Capital budget 5-2.03 for McDonnel Gilchrist Rehabilitation be increased by \$1,216,032 from \$5,591,500 to \$6,807,532;
- b) That the additional \$1,216,032 be funded as follows:
 - i) \$767,785 be transferred from the FRMP Reserve - Sewer Surcharge;
 - ii) \$228,247 be transferred from the FRMP Reserve - Capital Levy; and
 - iii) \$220,000 be recovered from the County/City Landfill Tipping Fees;
- c) That the Contract T-30-17 for the Donegal Street Bridge Rehabilitation and Reconstruction of Donegal Street, McDonnel Street and Gilchrist Street with Coco Paving Inc., 2317 Television Road, Peterborough, ON, K9J 7H5 be

increased by \$1,154,000 from \$4,645,730.59 to \$5,799,730.59 plus \$753,964.98 HST for a total of \$5,249,675.57; and

- d) That a provisional work value of \$41,000 be committed to the project and the Commissioner of Infrastructure and Planning Services be provided the authority to adjust the purchase order value awarded to G.D. Jewell Engineering Inc., 71 Millennium Parkway, Unit 1, Belleville, Ontario K8N 4Z5 for Contract Administration and Inspection Services to an upset limit of \$335,000 plus HST of \$43,550 for a total of \$378,550.

Budget and Financial Implications

The total increased project costs (net of the HST rebate) are as follows:

Line	Description	Amount
1	Additional Amount for T-30-17 Donegal Street Bridge Rehabilitation and Reconstruction of Donegal Street, McDonnel Street and Gilchrist Street	\$ 1,154,000.00
2	Provisional Additional Amount for Contract Administration and Inspection Fees	\$ 41,000.00
3	HST Payable by the City	\$ 21,032.00
4	Total Additional Estimated Cost (Net of HST rebate)	\$ 1,216,032.00

The total net \$1,216,032.00 requirement, after applicable HST rebates can be accommodated within the amended \$6,807,532.00 allocation within the 2018 Capital for project 5-2.03.

The uncommitted balances remaining in the reserve funds following the recommended transfers will be as follows; FRMP Reserve - Sewer Surcharge, \$4,246,057; and FRMP Reserve - Capital Levy, \$112,888..

Background

Council previously approved Reports USEC15-022, USEC16-018 and USEC17-015 which awarded and extended RFP P-15-15 for detailed design, contract administration and inspection services for the Donegal Street Bridge Rehabilitation and Reconstruction of Donegal Street, McDonnel Street and Gilchrist Street to G.D. Jewell Engineering Inc (GDJE).

GDJE is responsible for the detailed design, contract administration and inspection of RFT T-30-17 for the Donegal Street Bridge Rehabilitation and Reconstruction of Donegal Street, McDonnel Street and Gilchrist Street.

RFT T-30-17 for the Donegal Street Bridge Rehabilitation and Reconstruction of Donegal Street, McDonnel Street and Gilchrist Street, closed on May 18, 2017. Council approved Report USEC17-015 dated May 29, 2017 which awarded the work to Coco Paving Inc.

Initial Geotechnical Investigation

During the initial geotechnical investigation for this project the chemical analysis of some of the soil samples tested as non-registerable / non-hazardous material but exceeded MOECC table values meaning the material could not be used as clean fill. Given this, any excess material from the areas tested would have to be disposed of at a MOECC registered facility like the Peterborough City/County Landfill.

With the results of the soil samples, the contract contained an estimate of the quantity of material to be disposed at a registered facility.

Further Soil Sampling

During additional testing performed at the time of contract execution to confirm material disposition the quantity of contaminated material was found to exceed initial estimates. For efficiency of material handling and disposition, as well as estimation of additional excess contaminated material to complete the contract, additional material testing was conducted in April 2018. This additional testing returned significant additional areas of contaminated fill as well as some areas that required special construction handling methods because of certain chemical exceedances.

With the significant increase in the quantity of excess contaminated material to be disposed of, GDJE and Coco Paving Inc. negotiated a lower revised unit price for the disposal of the remaining excess material. GDJE recommends proceeding with the revised unit price as it is considered a fair unit price for the revised scope of work.

The Contractor has chosen to dispose of the material at the City/County of Peterborough Landfill with the City's share of the additional tipping fee estimated at \$220,000.

Option to Reduce the Scope of the Project

An option to reduce the increase in the budget would be to reduce the scope of the project. The only scope change possible would be to remove the reconstruction of Gilchrist Street from McDonnel Street to London Street. This would reduce the additional funds required by an estimated \$500,000.

This scope change would have to be negotiated with the Contractor and take into account materials and services purchased to date. As a result, \$500,000 is the upper amount that might be saved.

The work on Gilchrist Street from McDonnel Street to London Street, if omitted from the current project would have to be completed in the immediate future to address both

local and trunk sanitary issues within this block. Accordingly, it is the opinion of staff that this option not be selected for implementation especially given the historic increase in construction costs as well as extra costs that would be incurred for an additional tender process and additional mobilization costs.

Council Approval Required

Under Part 17.4.6 (b) of the Purchasing By-law 14-127 Council must approve to amend an agreement where the amendment cannot be accommodated within the approved budget.

Summary

RFT T-30-17 for the Donegal Street Bridge Rehabilitation and Reconstruction of Donegal Street, McDonnell Street and Gilchrist Street requires Council approval to amend the budget and agreement in accordance with the City's Purchasing By-law 14-127 as recommended in this report.

Submitted by,

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Commissioner of Infrastructure and Planning Services

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