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Date: August 14, 2017
To: Mayor and Council
Author: Kevin Girard, Manager of Municipal Services
RE: Overage on CWATS – Kings 13B
Report No.: MS 2017-37

AIM

To provide an update on the recent tender closing of the CWATS Kings 13B project (County Road 20: Phase 3).

BACKGROUND

The CWATS Kings 13B project is now in the third of four phases. The third phase being the completion of the cycling lanes behind v-type curbs on the north and south side of County Road 20 from Whitewood Road to County Road 45 (Union Avenue). The subsequent phase will be the completion of the Kings 13B project from County Road 45 to Dimenna Drive.

DISCUSSION

The original estimate for the project through the CWATS Active Transportation Master Plan and the County of Essex was \$547,187.00 plus a \$54,719.00 contingency allowance for a total budget of \$601,906.00. The Town's portion only being 60% of the total value for a cost of \$361,144.00, which is the value found in the approved 2017 capital budget.

Since the original budget, a pre-tender meeting between the Town and the County with the addition of David Archer of RC Spencer (Project Engineer) was organized to discuss the most recent estimate provided in the attached.

The recent estimate from RC Spencer showed a project estimate of \$686,238.00 of which the Town would be responsible for \$411,743.00 translating to an overage of \$50,599.00. It should be noted that this overage does not include the 60% costs associated with HST or engineering fees from RC Spencer. After discussion with the Director of Financial Services

of the potential overages that the additional costs could be funded elsewhere, but to allow the tender to proceed to obtain more accurate costs.

On July 7th, the tender closed with the low bidder being Pierascenzi Construction Ltd. with a total bid price of \$757,111.00 not including HST, see the attached letter of recommendation from RC Spencer. Included in this price are the costs for traffic signal improvements at the intersection of County Road 45 and County Road 20 that Municipal Services expressed concerns that they should be funded 100% by the County, which the County has agreed. The value of the improvements being \$44,870.00, resulting in a total tender price to the Town of \$712,241.00 of which the Town would fund \$427,344.00. This translates to an overage of \$66,201.00 above the approved 2017 capital budget. Again, these overages do not include the 60% costs associated with engineering fees from RC Spencer or HST burden to the Town. The design fees provided by RC Spencer for phase 3 are in the amount of \$35,100.00 plus contract administration fees which the County estimates as 15% of the construction costs for a value of \$64,101.60.

LINK TO STRATEGIC PLAN

Provide safe, adequate and affordable municipal services and infrastructure.

FINANCIAL CONSIDERATIONS

The total value estimated to impact the 2017 capital budget is as follows:

Construction Tender Costs (less signals)	\$ 427,344.00
Engineering Design Fees	\$ 35,100.00
<u>Estimated Engineering Inspection Fees (15%)</u>	<u>\$ 64,101.60</u>
Subtotal	\$ 526,545.60
<u>HST Burden</u>	<u>\$ 9,267.20</u>
Total Impact on 2017 Budget	\$ 535,812.80
<u>2017 Capital Budget</u>	<u>\$ 361,144.00</u>
Total Overage	\$ 174,668.80

The total estimates overage of the CWATS Kings 13B project is approximately \$174,668.80. These overages can be absorbed through the savings the following projects:

Bridge #28	\$ (130,711.00)
<u>CWATS Kings 9 (CR50)</u>	<u>\$ (76,337.00)</u>
Total	\$ (207,048.00)

From the above projects, we have experienced approximately \$207,048.00 in savings from the capital budget, which should compensate for the \$174,668.80 in overages of the CWATS Kings 13B project.

CONSULTATIONS

Director of Municipal Services
Director of Financial Services
Manager of Public Works

RECOMMENDATION

That Council authorize the County of Essex to award the CWATS Kings 13B project to Pierascenzi Construction Ltd and that the funding for the overages of this project be taken from the surplus for Bridge #28 and CWATS Kings 9 projects.

Respectfully Submitted,

Kevin J. Girard

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G.A. Plancke

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Director of Municipal Services

Peggy Van Mierlo-West

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