



Memorandum

Office of the City Clerk
Fax: 623-5468
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TO: Members of Council
FROM: Krista Power, City Clerk
DATE: Thursday, April 28, 2022
SUBJECT: **Additional Information**
Committee of the Whole – May 2, 2022

COMMITTEE OF THE WHOLE

Additional Information

1. Report R 66/2022 (Infrastructure & Operations) Contract 7, 2022 – Balmoral Street Reconstruction Phase III
2. Memorandum from Director – Engineering Kayla Dixon, dated April 21, 2022 relative to 2022 Capital Project Update.
3. Memorandum from Mayor Bill Mauro, dated April 26, 2022 containing a motion relative to Additional Roadwork for 2022.

/kp

DEPARTMENT/ DIVISION	Infrastructure & Operations - Engineering & Operations	REPORT NO.	R 66/2022
DATE PREPARED	03/31/2022	FILE NO.	
MEETING DATE	05/02/2022 (mm/dd/yyyy)		
SUBJECT	Contract 7, 2022 - Balmoral Street Reconstruction Phase III & Phase IV		

RECOMMENDATION

WITH RESPECT to Report R 66/2022 (Infrastructure & Operations - Engineering & Operations) we recommend that Contract 7, 2022 for Balmoral Street Reconstruction, Phase III and Phase IV, be awarded to Bruno's Contracting who submitted the lowest tender in the amount of \$8,294,626.01 [inclusive of HST]; it being noted that the amount shown is based on estimated quantities; final payment for this contract will be based on measured quantities for the completed work;

AND THAT consulting engineering services be awarded to the firm of Hatch Engineering with an agreement approved in the amount of \$314,404.42 [inclusive of HST] for construction administration and inspection associated with this contract;

AND THAT the General Manager of Infrastructure and Operations report any circumstances to City Council should any significant variations in the contract quantities occur;

AND THAT the Mayor and City Clerk be authorized to sign all documentation related to these matters;

AND THAT any necessary bylaws be presented to City Council for ratification.

LINK TO STRATEGIC PLAN

This report directly supports 'Our Priorities' of the 2019-2022 Corporate Strategic Plan, through renewal of City infrastructure. This project includes the rehabilitation of the pavement surface following the Engineering Division's asset management plan.

EXECUTIVE SUMMARY

A Municipal Class Environmental Assessment (EA) to reconstruct Balmoral Street was completed and approved in 2016.

This project includes multiple stages of construction to rebuild Balmoral Street from William Street to Beverly Street. The first stage extended from William Street to Hewitson Street and was completed in 2016. The second phase of the project, completed in 2020, included the rebuilding of the Balmoral Street and Harbour Expressway intersection and extended to Alloy Drive. The work presented in this report is for the final two stages and completes the originally envisioned project bringing it to its completion at Beverly Street.

Work includes installation of new storm sewers and curb and gutter, replacing asphalt, and construction of new multi use trails on both sides of the street.

Bruno's Contracting was the lowest tender for the project. Bruno's Contracting has completed many road rebuilding and pipe projects for the City of Thunder Bay. Both Administration and the consultant responsible for design recommend Bruno's as being capable of carrying out the work involved in the contract.

DISCUSSION

As a result of the call for tenders, three [3] responses as listed below were received for the Balmoral Street Reconstruction, Phase III and Phase IV. The total tendered costs include the applicable HST. The bids have been checked for mathematical errors and the corrections noted.

Contractor	Tendered Cost	Corrected Bid
Bruno's Contracting	\$8,294,626.02	
Taranis Contracting	\$8,380,692.23	
Nadin Contracting	\$8,759,932.89	\$8,725,066.74

The pretender engineering estimate for the work on this contract was \$10,039,908.75, including utility relocations.

The continuation of the Balmoral Street reconstruction work will include replacement of asphalt, installation of large diameter twin storm sewers, and filling of ditches to construct multiuse asphalt trails along both sides of the corridor. Artificial turf will continue along the boulevard after its successful implementation along the first stage of the project.

Traffic lanes will be limited to a single lane in each direction during construction with any full closure limited in duration.

Hatch Ltd. (Hatch) consulting engineering firm has been involved with the environmental assessments and design of the full extents of the Balmoral Street reconstruction since inception. Administration recommends Hatch provide contract administration services and full time inspection services for the project at a cost of \$314,404.42 [HST included].

LINK TO EARTHCARE SUSTAINABILITY PLAN

The work approved under this report supports the Mobility goal of the Earthcare Sustainability Plan. Multiuse trails will be constructed on both sides of the corridor completing north/south active transportation facility connections from John Street to Walsh Street.

FINANCIAL IMPLICATION

Funding for the Balmoral Street reconstruction was included in the 2022 Capital Budget. The following summary of project costs to complete the work is presented based on the low contract tender and contract administration provided by the consultant.

Summary of Expenditures	Monetary Amounts
Contract Tender Price	\$8,294,626.01
Contract Administration and Inspection	\$ 314,404.42
Contract Total	\$8,609,030.43
HST Rebate	(\$ 856,331.88)
Synergy North Pole Relocation Allowance	\$450,000.00
TOTAL	\$8,202,698.55

The contract includes a contingency allowance for work that is unforeseen and can only be expended with the approval of the General Manager of Infrastructure and Operations.

CONCLUSION

It is concluded that Contract 7, 2022 should be awarded to the lowest tender, Bruno’s Construction, and that all work should proceed.

It is also concluded that contract administration services should be awarded to Hatch Ltd.

BACKGROUND

The 2022 Capital Budget, Corporate Report 1/2022 (Corporate Services and Long Term Care – Financial Services) Proposed 2022 Operating and Capital Budget includes funding for the reconstruction of Balmoral Street from Alloy Drive to Beverly Street.

Infrastructure and Operations Department asset management plan incorporates a pavement management system developed in 2000 which is used as a tool to help Administration prioritize roadwork.

REFERENCE MATERIAL ATTACHED

None.

PREPARED BY: MIKE VOGRIG, P. ENG., PROJECT ENGINEER

THIS REPORT SIGNED AND VERIFIED BY: (NAME OF GENERAL MANAGER)	DATE:
Kerri Marshall, General Manager – Infrastructure & Operations	April 26, 2022

Memorandum

TO: Krista Power
City Clerk

FROM: Kayla Dixon, P. Eng., MBA
Director – Engineering & Operations

DATE: April 21, 2022

SUBJECT: Changes to 2022 Capital Program – Committee of the Whole - May 2, 2022

Engineering is bringing several contract award reports to Council in May 2022. To date, Engineering has assessed six capital contracts for award this year. Of these, four have come in over what was budgeted, some significantly, and one contract already included a reduced scope to mitigate budget impacts. One large contract came in 7% under budget which has helped to offset some of the budget challenges. The cumulative amount over budget for these initial capital contracts is approximately \$2.4M, and this amount considers the City's HST rebate. In order to manage the capital program within the budget envelopes approved by Council in the 2022 Capital Budget, Engineering is recommending several projects be deferred or the limits reduced as detailed below, and this deferred work be included in the 2023 Capital Budget for Council's approval.

Cost Increases

World events continue to impact the market, access to resources, and supply chains which are resulting in price increases and extended delivery times of materials. Fuel and oil price increases, as one example, have a significant impact on capital construction which is reliant on heavy equipment, and has also resulted in an increase in the cost of asphalt by approximately 15% over costs from capital contracts in 2021. Considerable infrastructure funding is available through government initiatives, meaning there is a lot of work available in the region and contractors are busy, which can result in less competitive bidding. In addition to global market increases, underground replacement projects on three streets required increases in scope once detailed design was completed. The impact of these market and scope increases is contracts coming in 7 – 48% over budgeted amounts and 10% over budget overall to date.

Changes to 2022 Capital Program

Engineering has reviewed the capital program with consideration of priority infrastructure renewal, external funding criteria and timelines, and is moving ahead with the following changes to manage within the approved capital budget envelopes:

- Crown Street Reconstruction – limits reduced from Bay Street to John Street to Bay Street to Cornwall Street with the remaining section from Cornwall Street to John Street deferred
- Cumberland Street Watermain Replacement from Villa Street to McVicar Creek deferred

- Hot-In-Place Recycling Pavement Rehabilitation of sections of Churchill Drive, Kingsway Street, Christina Street and John Street Road deferred

In addition to reallocating funds from the above projects, capital carry forward monies have also been used to fund the \$2.4M overages. As we move forward through contract awards, Engineering will bring further recommended changes if necessary to Council.

Future Impacts

Municipalities across Ontario are seeing similar contract increases and it is expected that although markets may stabilize and there may be some downward correction to prices, historically it has been seen that prices do not return to previous levels. This would result in existing capital budget envelopes falling further behind in meeting the City's requirement for infrastructure renewal and an increase to the infrastructure gap.

The following resolution is presented for Council's approval:

WITH RESPECT to the Memorandum from K. Dixon (Engineering & Operations) April 21, 2022, we recommend the 2022 Capital Budget be revised as indicated in the memorandum to manage within the approved capital envelopes;

AND THAT deferred projects identified in the memorandum be included in the 2023 Capital Budget for consideration;

AND THAT any necessary By-laws be presented to City Council for ratification.

KD

cc: Kerri Marshall, GM - Infrastructure & Operations Department
Linda Evans – GM – Corporate Services & Long Term Care & City Treasurer
Emma Westover – Director – Financial Services

Memorandum

Office of the Mayor
Fax: 623-1164
Telephone: 625-3601

TO: Krista Power, City Clerk
FROM: Mayor Bill Mauro
DATE: April 26, 2022
SUBJECT: Motion for Additional Roadwork for 2022
Committee of the Whole – May 2, 2022

The City of Thunder Bay has had a challenging year with respect to weather and resultant damage to roadways. In addition to the weather challenges, supply chain issues and rising costs continue to plague municipalities. It is my understanding that some road work proposed in the 2022 Capital Budget is projected to be deferred due to overages in costs.

In response to those challenges and potential deferrals and to ensure our infrastructure gap does not continue to grow relative to city roadways, I am proposing that projects continue including;

- replacement budget and contingency for expected cost increase in the amount of \$800K for Hot in Place Asphalt. These funds were for paving portions Churchill Drive, Kingsway Street, Christina Street, and John Street Road.
- larger miscellaneous patching and crack sealing of select arterials and collector routes is in the amount of \$1 million.

In an effort to meet the needs of our community, the following motion is presented for Council's consideration.

WITH RESPECT to the Memorandum from Mayor B. Mauro dated April 26, 2022, we recommend that Administration be directed to complete the work associated with Hot in Place work and road maintenance for larger miscellaneous patching of select arterials and collectors;

AND THAT the \$1,800,000.00 cost required for this work be allocated from the General Capital Reserve fund pending the anticipated transfer of the 2021 year end surplus funds to this reserve fund;

AND THAT any necessary by-laws be presented to Council for ratification.