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Council Meeting – June 21, 2022

Subject: Request for Tender Sidewalk Reconstruction
Report Number: EIS-22-036
Division: Environmental and Infrastructure Services
Department: Engineering
Purpose: For Decision

Recommendation(s):

THAT Report Request for Tender EIS-ENG-22-31 Sidewalk Reconstruction be received as information;

AND THAT Request for Tender EIS-ENG-22-31 Sidewalk Reconstruction be cancelled due to budget constraints;

AND THAT a new Request for Tender be issued in 2022 for Sidewalk Reconstruction that excludes the Cockshutt Road sidewalk portion;

AND FURTHER THAT a revised budget for Project 5532315 be included in the Proposed 2023-2032 Capital Plan for Council's considerations, which includes the completion of the Cockshutt Road Sidewalk

Executive Summary:

Request for Tender EIS-ENG-22-31 Sidewalk Reconstruction closed on May 31, 2022. The bid document included nine individual locations (parts). Each of the locations were for either the installation of new sidewalks or the replacement of existing sidewalks. The lowest acceptable bid of B. Dillane Construction Inc. was \$915,265.00 which is greater than the approved budget and therefore, to award the bid, an amendment of \$294,000 would be required. Staff is recommending that the Tender be cancelled and reissued without the Cockshutt Road component. Savings may be realized by tendering the Cockshutt Road sidewalk in 2023 as part of a larger resurfacing project.

Staff are seeking Council approval for the recommendations in this report due to public interest in the Cockshutt Road sidewalk project, as there will be a delay in construction until the 2023 season should staff's recommendations be approved.

Discussion:

Request for Tender EIS-ENG-22-31 Sidewalk Reconstruction includes nine locations in Simcoe, Vittoria and Port Dover where sidewalk installations were required. (see attached location maps). Engineering Staff have reviewed the bid submission and verified that the locations for new sidewalk and sidewalk maintenance are within the approved budget with the exception of the Cockshutt Road component.

The Cockshutt Road sidewalk location tender amount was significantly over the Approved Budget amount of \$139,000 (Construction). Engineering Staff have reviewed the pricing of this location and suspect the bid amount is high for the proposed work. The original budget was set before detailed Engineering work was completed in late 2021. The work involves placing catch basins, storm outlets, curb and sidewalk as well as paving. (See attached drawings)

Engineering Staff are proposing that the Tender be cancelled and that a new Tender be issued for all works with the exclusion of the Cockshutt Road sidewalk project (5532131), The Cockshutt Road sidewalk project scope of work will be included in a subsequent Tender for completion in 2023 that is coordinated with the resurfacing project on Cockshutt Road – Hwy 3 to Conc 2 Woodhouse (5532315). It is possible that the cost of completing the new sidewalk will be reduced from the current pricing estimate due to economies of scale achieved by consolidating with the larger resurfacing project. A revised budget estimate for the work will be included in the Proposed 2023 Capital Budget.

Though not formally required, staff are seeking Council approval prior to moving forward due to the significant public interest in Cockshutt Road sidewalk project, as well as the financial risks outlined in the Financial Services comments.

Financial Services Comments:

The Approved Capital Budget contains multiple allocations for the construction of new and replacement of sidewalks planned to be completed in 2022, which were included in tender EIS-ENG-22-31, and can be found in Table 1.

Table 1: Approved Capital Budget (Projects included in tender EIS-ENG-22-31)

Project	Engineering	Construction	Total Approved Budget
2022 Sidewalk and Walkways Reconstruction (5532216)	-	\$208,000	\$208,000
New Sidewalk Cockshutt Rd. (5532131)	\$35,000	\$139,000	\$174,000
New Sidewalk Parker Dr (5532235)	\$5,000	\$200,000	\$205,000
Simcoe Kinsmen Park Sidewalk (3332008)	-	\$90,000	\$90,000
Total	\$40,000	\$637,000	\$677,000

Funding for these projects was approved to be provided by the Roadway Construction Reserve (\$238,000), the Levy Supported Operating Budget (\$234,000), and Debentures (\$205,000).

If Council approves the recommendations made by the Engineering team, the Cockshutt Rd. sidewalk project will be rebudgeted in the 2023 Capital Budget, to be completed alongside project 5532315 (Cockshutt Road – Hwy 3 to Conc. 2 Woodhouse). The remaining projects would be retendered for completion in the 2022 season; the related financial analysis and implications would be presented to Council in a future bid award summary report.

Though staff anticipate lower pricing due to scope adjustments and through economies of scale, it should be noted there are financial risks by moving forward with staff's recommendation. Due to inflationary pressures experienced in 2022, costs could continue to increase resulting in less favourable bid pricing. In addition, retendering later in the construction season can lead to less favourable pricing as many contractors may already have work planned for the 2022 construction season.

Financial Implications if Bid is Awarded

Should Council choose to continue with the planned works in 2022 (adjusting the recommendations in this report) and move forward with this bid as submitted, the financial implications have been provided below.

To award EIS-ENG-22-31 to the lowest bidder at a cost of \$931,000 (rounded, incl. net HST), a budget amendment of \$294,000 would be required. The primary driver of this budgetary shortfall pertains to the pricing submission for the new Cockshutt Rd. Sidewalk.

Staff's recommended funding amendments are summarized below in Table 2.

Table 2: Recommended Funding Requirements if awarding (Construction Components)

Funding Source	Approved Budget	Required Budget	Amendment
Roadway Construction Reserve	\$238,000	\$282,000	\$44,000
Municipal Levy	\$234,000	\$234,000	-
Debentures	\$205,000	\$455,000	\$250,000
Total	\$677,000	\$971,000	\$294,000

The recommendations in Table 2 will result in an impact to the 2023 Levy Supported Operating Budget. Additional debt servicing payments of approximately \$32,400 would be included in the 2023 Levy Supported Operating Budget (10-year issuance, 3.5% interest, semi-annual payments). In addition, this recommendation will place additional pressure on the Roadway Construction Reserve (2022 Year End Balance negative \$5.3 million, based on current approved commitments), which will result in additional increases to the reserve contribution to address the negative balance in future years.

Interdepartmental Implications:

Purchasing Department

Purchasing staff have reviewed the report and advises that Request for Tender EIS-ENG-22-31 was developed and issued in accordance with the Norfolk County Purchasing Policy and Procedures. The recommended bidder has been proposed on the basis of having submitted the lowest compliant bid that meets the minimum specifications as outlined in Norfolk County Policy CS-02, Purchasing Policy, section 4.4.

Consultation(s):

The Corporate Services Division was consulted in the preparation of the report.

Strategic Plan Linkage:

This report aligns with the 2019-2022 Council Strategic Priority "Build and Maintain Reliable, Quality Infrastructure".

Explanation: The sidewalk reconstruction program provides safe and reliable path for pedestrians

Conclusion:

Staff is recommending that Request for Tender EIS- ENG-22-31 Sidewalk Reconstruction be cancelled and that a new tender be issued for Sidewalk Reconstruction that excludes the Cockshutt Road sidewalk portion. Furthermore, the sidewalk on Cockshutt Road will included in the 2023 Cockshutt Road resurfacing project

Attachment(s):

- Location Maps
- Cockshutt Road Drawings

Approval:

Approved By:
Andrew Grice, General Manager EIS

Reviewed By:
Jeff Demeulemeester, CET, Project Manager

Prepared By:
Mike King, CET, Director Engineering