

Request for Decision City Council




Type of Decision											
Meeting Date		January 30, 2008				Report Date		January 23, 2008			
Decision Requested		X	Yes		No	Priority		X	High		Low
		Direction Only				Type of Meeting		X	Open		Closed

Report Title
Municipal Infrastructure Investment Initiative (MIII)

Budget Impact / Policy Implication		Recommendation
X	This report has been reviewed by the Finance Division and the funding source has been identified.	
<p>The following describes the budget impact should the City of Greater Sudbury be successful in the application for Municipal Investment Infrastructure Initiative funding.</p> <p>Option 1 - In the 2008 Capital Budget a funding source was not yet identified for the Levack Water Project. This application could provide funding for this project and would minimize the encumbrance on future Water and Wastewater's Capital Budgets.</p> <p>Option 2 - A part of the Notre Dame Avenue Road Project was included in the 2010 Capital Budget in the amount of \$2.5 million. Successful receipt of Municipal Investment Infrastructure Initiative funding would advance the entire project to 2008 and leave \$2.5 million available for other roads projects in 2010.</p> <p>Option 3 - No budget impact; however, this provides the opportunity to build a second 31 bed dementia unit at Pioneer Manor which also increases the stock of long term care beds available in the City of Greater Sudbury.</p>		<p>THAT Council approve Option _____, as the preferred project to apply for funding under the Municipal Infrastructure Investment Initiative; and</p> <p>THAT the General Manager of _____ be authorized to submit the application prior to the deadline of February 15, 2008; and</p> <p>THAT the necessary By-law be prepared.</p>
X	Background Attached	Recommendation Continued

Recommended by the Department	Recommended by the C.A.O.
 Lorella Hayes Chief Financial Officer / Treasurer	 Mark Mieto Chief Administrative Officer

Date: January 23, 2008

Report Prepared By	Division Review
 Lorella Hayes Chief Financial Officer / Treasurer	

INTRODUCTION

The Municipal Infrastructure Investment Initiative (MIII) is a \$300 million, one-time grant funding program, intended to support "investments in local infrastructure priorities in communities across Ontario" (with the exception of Toronto). The MIII is being administered by Infrastructure Ontario (IO), and it is anticipated that successful applicants will receive their MIII grants as a one-time, lump sum payment no later than March 31, 2008.

The purpose of this report is to seek direction from Council regarding the selection of one project to apply for this funding.

What types of infrastructure projects are eligible?

Capital investments in all types of construction ready, municipally owned infrastructure projects, except for public transit.

Some **examples** of eligible infrastructure categories include:

Water, Wastewater, Roads, Bridges, Solid Waste Management, Long-term Care Facilities, Social Housing, Culture (including libraries), Tourism, Recreation, Community Energy.

All construction-related costs borne by the applicant are eligible under this initiative. Project-related studies, including planning, feasibility and environmental assessment (EA) studies are not eligible.

What criteria will be used to evaluate applications?

The first stage of the evaluation is a compliance review and will be based on:

- Submission of a complete application
- Project is eligible for funding, as defined in the program guidelines
- Project has not already started construction
- Submission of a Council or Board By-law in support of the application

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The second stage of the evaluation process will use the following criteria to determine which applications will receive funding under the MIII:

- Construction readiness
- Alignment with provincial policy objectives
- Benefits of the project to the community, region and province, including:
 - Economic or commercial benefits, including benefits to economically depressed areas of Ontario
 - Environmental or sustainability benefits
 - Health and safety benefits
 - Social and community benefits
- Demonstration that the project helps to implement a council-adopted plan or strategy
- Regional distribution of projects around the province

Other points of interest:

- A municipality can only submit one project
- The Government wants to support as many projects as possible across the Province
- Particular consideration will be given to projects that have not previously received any provincial government funding
- A municipal council must pass a by-law affirming their support of their application
- The deadline for applications is on February 15, 2008

How will the size of the grant be determined?

Applicants can apply for up to 100% of the project cost. There is no requirement for the municipality to match the funding awarded under this program. There is no federal government funding associated with the MIII. The guidelines stated "successful applicants will receive exactly the amount of the grant that was requested in the application. The province will not award "partial" grants under the MIII. For example, if a municipality applies for a \$500,000 grant, and is successful, the municipality will receive \$500,000. There is no possibility that the municipality would receive some other portion of the original grant requested. The Province will not negotiate or adjust grant amounts after an application has been submitted."

In light of the Province's stated desire to support as many projects as possible across the Province, staff estimated that the City of Greater Sudbury's share of the \$300 million program on a per capita basis is approximately 1.67% or \$5 million. The City has also been successful in prior COMRIF applications receiving Federal and Provincial funding in the range of \$1.6 million to \$14 million or 1.8% to 5.6% of the total funding available. Extrapolating the COMRIF results over the MIII funding, the range could be approximately \$5 million to \$17 million. The actual size of the grant will be determined by the Province, and they did not provide any guidance in determining the appropriateness of the size of the grant application.

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OPTIONS

The following options have been prepared for Council's consideration. All three options meet the eligibility criteria outlined.

Option 1: Levack Water Supply Project (See Appendix A for project description.)	
Total Project Cost	\$18.5 million
Less: Financing from City and possibly Vale INCO	(\$8.5 million)
Total Grant Application	\$10.0 million

Option 2: Notre Dame Avenue – Leslie Street to CN Railway Tracks (See Appendix B for project description.)	
Total Project Cost / Grant Application	\$6.7 million

Option 3 - Pioneer Manor - Build a Second 31 Bed Dementia Unit (See Appendix C for project description and for a copy of the Pioneer Management Committee resolution.)	
Total Project Cost / Total Grant Application	\$8.5 million

CONCLUSION

Staff is seeking direction from Council regarding the selection of only one project to apply for this MIII funding.

Also, the guidelines indicated that in the near future, the Ontario government, along with its Federal and Municipal partners, expect to announce the final round of funding under COMRIF. Applicants cannot receive funding for the same project from both the MIII and the final round of COMRIF.

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Appendix A

Option 1 - Levack Water Supply Project (also see council report)

(Prepared by Infrastructure Department.)

Project Background:

Vale INCO currently operates a well field in Levack to provide water to its local mining operations and which until recently, had also supplied the municipal residential system serving the community of Levack with potable water. Citing liability issues and a desire to focus on core business, Vale INCO provided notice to the City of Greater Sudbury in 2003 indicating their desire to divest from the provision of municipal potable water. This decision lead to the requirement for the development of an alternate water supply for Levack and which consequently lead to this project which has a total value of \$18.5 million.

In the search for an alternate supply City of Greater Sudbury officials worked cooperatively with not only Vale INCO, but also Xstrata Nickel who supplied water to the municipal residential system in Onaping, an adjacent community. During subsequent discussions, Xstrata citing the same issues as Vale INCO, was willing to divest from its potable water infrastructure in Onaping, allowing the opportunity to use the supply wells in Onaping as the basis to amalgamate the systems and with enhancements, serve both communities.

The proposed alternate supply project meets the criteria for the Municipal Infrastructure Investment Initiative program in that:

- The project is construction ready, given that the Environmental Assessment has been completed, design is fully underway and tenders are either ready or imminently ready to go
- Construction is set to begin immediately upon receipt of MII program funding
- Target completion for the project is September 1, 2008 with a compliance date of December 31, 2008

Further, the project offers many advantages over the former arrangements (that were based on separate supply, treatment, and distribution systems) that include the following:

- Provide a safe, sustainable water supply for the communities of Levack and Onaping for the foreseeable future
- Align with provincial water policy initiatives in relation to providing:
 - Local ownership and control of water infrastructure
 - Enhanced water treatment to lower community risk
 - Amalgamation of systems to reduce the number of municipal residential systems and benefit from economies of scale
- Align with the City of Greater Sudbury's Master Plan criteria and direction in servicing these communities
- Support economic growth by providing a stable, public water infrastructure available for prospective users

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Appendix B

Option 2 - Notre Dame Avenue – Leslie Street to CN Railway Tracks

(Prepared by Infrastructure Department.)

Project Background:

Notre Dame Avenue between Leslie Street and the CN railway tracks is a primary arterial roadway with an average daily traffic volume of 28,000. Notre Dame Avenue is the major north-south corridor linking Valley East and the west end of Lasalle Boulevard (east-west corridor) with the downtown business core of the City. The current state of Notre Dame is deteriorating, with numerous potholes, severe rutting, and curb degradation. The Official Plan adopted in June 2006 by Council identified required improvements to Notre Dame Avenue.

The traffic volume on this corridor is projected to increase by 18% in the next twenty years. This growth will result in a capacity deficiency, causing further traffic delays. The work involves the rehabilitation of the existing 5 and 6-lane cross sections, curb and sidewalks with improved lighting.

While this project was planned to commence in 2010, this project is "construction-ready", and can be completed in 2008. It is proposed to complete in-situ asphalt recycling with overlay on Notre Dame Avenue between Leslie Street and the CN railway tracks, approximately 1.1 km, complete with tie-ins to local side streets. The concrete curb will be replaced and the sidewalk will be repaired where warranted with a unit paver surface. Spot repairs to the water main will also be undertaken at each end of the project.

A bike path between Bond Street and Perreault Street is proposed behind the existing easterly sidewalk with connections to the Junction Creek trail system. A new sidewalk between Leslie Street and Kathleen Street on the east side of Notre Dame Avenue is also proposed.

There are three sets of traffic signals within the project area, which currently operate in a "fixed time" mode. In this mode the traffic signals do not respond to vehicle or pedestrian demand. This type of signal operation can greatly increase delay to traffic on Notre Dame Avenue, especially during off peak periods.

To improve traffic flow, it is proposed that the traffic signals be upgraded to operate in an "actuated" mode. Under this mode of operation, the number of stops and delay is reduced along the Notre Dame Avenue. This reduces fuel consumption and harmful greenhouse gas emissions. This mode of operation also tends to reduce the number of collisions associated with the arbitrary stopping of vehicles that occurs with a "fixed time" operation. Energy efficient LED lights will be used for the new traffic signals and pedestrian crosswalks.

City staff can prepare the construction documents, and the project has an estimated cost of \$6.7 million

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Appendix C

Option 3 - Pioneer Manor - Build a second 31 bed dementia unit

(Prepared by Community Development Department.)

Proposal Background:

On a monthly basis, the average number of individuals on the waitlist for Long Term Care (LTC) homes in the City of Greater Sudbury has increased by 111% (from 280 to 590) in the last five years.

The new one-site hospital which is scheduled to open in late 2009 or early 2010 will have significantly less beds available for patients requiring alternate level of care (ALC). In a recent survey, it was determined that "Awaiting LTC Placement" was the most prevalent type of ALC classification.

The impact of patients utilizing ALC hospital beds while waiting for Long Term Care placement has significantly contributed to the cancellation of surgeries and emergency room overcrowding. Furthermore, as of November 2009, the City of Greater Sudbury will no longer be able to run 23 interim LTC beds now being operated from the Laurentian Hospital site by Pioneer Manor. Even though 128 new beds are scheduled to be completed by the Sisters of St. Joseph by March 2010, City council has previously passed a motion urging the MOHLTC to keep the interim beds open given that the new beds will not alleviate the current or anticipated future demand.

The planned reduction of ALC beds in the new one-site hospital, reduction in interim beds and an increasing demand will thus result in even greater pressure on the LTC system if not planned for accordingly.

Opportunity Provided by the Municipal Infrastructure Investment Initiative:

Given the lack of a specific design to meet the needs of current residents with dementia and that the estimated number of people with Alzheimer disease or related dementia is expected to increase by 30% by 2016, City Council on November 28, 2007 approved the construction of a 31 bed dementia unit at Pioneer Manor to replace beds lost in the fire of 2006.

The recent announcement of funding through the Municipal Infrastructure Investment Initiative provides the opportunity to build a second 31 bed dementia unit at Pioneer Manor. This would have the impact of addressing specific needs of current and future residents with dementia, as well as increasing the general stock of Long Term Care beds available in the City of Greater Sudbury. Upon completion, this would increase the total number of beds at Pioneer Manor to 430 (342 permanent & 88 temporary/interim).

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Appendix C (continued)

Should some or all of the interim beds at Pioneer Manor at some future date not be required, then the newly constructed dementia beds will provide an opportunity for the closure and re-utilisation of an existing wing(s) for other purposes. Such conversions in the past have included utilisation of space by the Alzheimer Society, Family Health Team and the Regional Geriatric Program.

Given that Pioneer Manor has appropriate space and that a 31 bed dementia design home area has already been developed and is in the process of being approved by the MOHLTC, the tender and construction of a second 31 bed dementia design home area could be undertaken at the same time (project to be tendered in April, 2008, with construction to begin shortly thereafter).

It is anticipated that construction of a second 31 unit home area would cost approximately 8.5 million dollars.

The benefits of constructing additional LTC beds with a dementia design include:

- An increase in the number of LTC beds available in the City of Greater Sudbury
- A unique design that specifically takes into consideration the needs of dementia residents
- Opportunity to further integrate clinical care and research with planned Regional Geriatric Program
- Enables Pioneer Manor to continue to offer the same number of (temporary) interim care beds to the community
- Additional dementia specific beds enables the Northern Ontario Specialized Geriatric Program to model best practices in dementia care to other health care institutions
- Alleviate pressure on ALC beds at Regional Hospital by maintaining the existing level of interim beds in the community and by offering the opportunity for continuance of the interim beds post the creation of the new 128 beds to be opened by the Sisters of St. Joseph in Rayside Balfour

Appendix C continued.....

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Appendix C (continued)

Pioneer Manor Committee of Management Resolution

Whereas City of Greater Sudbury Council resolution #2005-419 recommended in part that the Minister of Health and Long Term Care be requested to respond to the unique and immediate needs of our community by funding an adequate amount of long-term care beds; and

Whereas the City of Greater Sudbury Council through resolution #2007-158 recommended in part that the Minister of Health and Long Term Care be lobbied by City council to maintain the operation of the interim beds at Pioneer Manor as opposed to the removal of the interim beds once the additional 128 long term care beds are opened in 2010; and

Whereas the Ministry of Health has increased the interim long term care beds in our community via Pioneer Manor and additional space at the Sudbury Regional Hospital; and

Whereas with the capital completion of the seniors campus and the Sudbury Regional Hospital there will be no capacity for 23 of the existing interim long term care beds; and

Whereas the Municipal Infrastructure Investment Initiative (MIII) provides the community with an opportunity to seek capital funding for one community priority; and

Whereas infrastructure funding for an additional 32 long term care beds will be construction ready for spring 2008 which is a requirement for the MIII funding; and

Whereas the additional long term care beds would eliminate the potential interim long term care bed shortage or would also see the benefit of replacing older existing long term care bed capital infrastructure stock;

Therefore be it resolved that the Pioneer Manor Committee of Management support the inclusion of an option for an additional 32 dementia-designed long term care beds in the options being prepared for council's consideration on January 30th, 2008.


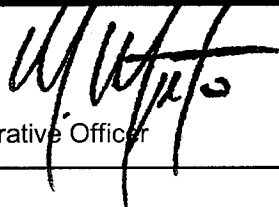
Request for Decision City Council




Type of Decision											
Meeting Date		January 30, 2008			Report Date		January 23, 2008				
Decision Requested		<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No	Priority		<input checked="" type="checkbox"/>	High	<input type="checkbox"/>	Low
		Direction Only				Type of Meeting		<input checked="" type="checkbox"/>	Open	<input type="checkbox"/>	Closed

Report Title
Recommend Single Sourcing to Dennis Consultants - Biosolids Management Strategy

Budget Impact / Policy Implication		Recommendation	
<input checked="" type="checkbox"/>	This report has been reviewed by the Finance Division and the funding source has been identified.		
<p>The funding has been provided for in the 2008 Wastewater Capital Budget.</p>		<p>It is recommended that Dennis Consultants be authorized to complete the Biosolids Management Plan/EA process, at an estimated cost of \$135,000.00, and with GST and disbursements, the total estimated cost for this phase of the project is \$170,000.00, in accordance with their confidential proposal dated December, 2007, and all in accordance with the report from the General Manager of Infrastructure Services dated January 23, 2008.</p>	
	Background Attached		Recommendation Continued

Recommended by the Department	Recommended by the C.A.O.
 Greg Clausen, P. Eng. General Manager of Infrastructure Services	 Mark Mieto Chief Administrative Officer

Date: January 23, 2008

Report Prepared By	Division Review
 Greg Clausen, P. Eng. General Manager of Infrastructure Services	

Introduction

The City has been dealing with a major sludge odour issue in the Walden-Lively area since 2005.

Through the collective efforts of Vale Inco (Inco), the Ministry of the Environment (MOE), Dennis Consultants and the City, a short term solution for the problem has been developed and implemented.

In 2007, the City committed to develop and implement a permanent solution which will eliminate the disposal of unstabilized (untreated) sludge from our wastewater treatment plants into the Inco tailings ponds. This solution would eliminate odour issues generated from the disposal of untreated sludge. Odour generation from the existing sludge may continue to occur and will have to be dealt with appropriately.

This report will provide a brief update on this project and will recommend that Council approve that Dennis Consultants be authorized to complete a Biosolids Management Strategy through the Environmental Assessment (EA) process for the next phase of this project.

Staff will be presenting a project update report to Council later this winter. The report will include a detailed explanation and related costs of all work completed to date. The report will identify preliminary cost estimates to complete various potential options that may be considered as part of the Master Plan study. Included in the report will be preliminary discussions regarding funding requirements for this project.

Our Purchasing By-law requires that Council approve any contract where a "bid solicitation" has been restricted to a single source of supply and the total acquisition exceeds \$35,000.00.

Background

Dennis Consultants were retained by the City in 2005 when this odour problem first became a major concern because of their extensive experience with our wastewater treatment plants. They also worked extensively on our Sludge Transfer Station located in the Inco tailings area. As well, they had worked independently with Inco on their tailings disposal and plants operations. It was determined, at that time, that they were the best qualified engineering firm to undertake this project.

In 2005, a number of temporary interim measures were implemented to deal with the tailings odour issues. After much work by Dennis Consultants, the MOE and City staff, it was determined that the application of Bioxide to the untreated sludge would work as an interim solution. As this was a largely unproven technology and had only been used in other jurisdictions as a temporary solution

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for similar odour issues, the MOE would only approve Bioxide on a trial-temporary basis. The Bioxide process would have to undergo extensive testing and approvals before the MOE would accept its use as a final solution. On September 6, 2006, Council authorized that Dennis Consultants complete the Bioxide study required by the MOE.

The use of Bioxide was implemented in 2005 and continues today. There were no significant odour issues in the summer of 2006. This was believed to be due to a number of factors, including favourable weather conditions, the increased use of Bioxide, lime application, and Inco's modified tailings disposal program.

As Council will recall, major odour issues occurred early in the summer of 2007. With the collective support and assistance from Inco, the MOE, Dennis Consultants and the City, a short term solution for the immediate problem was developed and immediately implemented.

Dennis Consultants were authorized to develop a medium term solution (12 to 18 months) for the odour problem. As part of the criteria for the medium term solution, Inco requested that we investigate the possibility of eliminating the disposal of unstabilized sludge in their tailings area as soon as possible, and hopefully before the summer of 2008. Dennis Consultants were also requested to consider possible long term-permanent solutions, including preliminary cost estimates to permit staff to commence long term financial planning and budgeting.

Dennis Consultants submitted their Summary Report - Odour Abatement Program on November 30, 2007. In brief, their report concludes that the medium term alternative no longer appears to hold any merit due to the lack of support and unavailability of suitable disposal locations, it is neither practical nor economical and may not be possible based on numerous factors including equipment/contractor availability, MOE regulations and guidelines. One of the main reasons in recommending that the investigation of a medium-term solutions be abandoned is cost. The medium-term solution, if possible, will cost in the order of \$4 Million to \$4.4 Million and may not be able to be incorporated into the final solution. The time, efforts and costs to pursue this option could better be spent in developing and accelerating the completion of a final solution acceptable to all parties, ie. the City, Inco and the MOE.

Dennis Consultants are recommending that we discontinue the investigation of a medium term solution and proceed directly to the development of a final solution. Staff fully support this conclusion.

Next Steps

The next step in this project is to complete a Biosolids Management Plan for the City which will determine how the City can best handle treating and disposing of the sludge. There are numerous technologies available to treat the sludge and develop various end-products. Some products will be suitable for horticultural, agricultural and landscaping products and can be commercially sold to the public.

We have had expressions of interest from both Inco and Xstrata and other private companies expressing their interest in participating with the City in developing a final solution, including participation in a design-build-operate solution.

All of these options will be considered as part of the Master Plan/Environmental Assessment process, which will identify the preferred solution for the City.

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Another key element is that we secure concurrence from Inco. Staff have already scheduled discussions with Inco staff in anticipation of Council's support to abandon the medium-term solution and to deal with odours as they may occur. Similarly, public information sessions will be organized to convey this information to the media and the public.

At the City's request, Dennis Consultants have submitted a detailed proposal and cost estimate of \$135,000.00, excluding GST and disbursements, to complete the Master Plan/EA process to develop a preferred solution. With GST and disbursements included, the total estimated cost for this project is estimated to be \$170,000.00. With a start date of February 4, 2008, they anticipate completion of the EA process by August 1, 2008, and a final Biosolids Management Plan by September 12, 2008.

The alternative would be for staff to go out for a Request for Proposal (RFP) from other qualified consulting engineering companies experienced in this type of work. This approach would delay/extend the project by an additional minimum of three to six months, and considerably increase the costs (both externally and internally) because of lack of familiarity and knowledge of the project, including Inco's facilities and operations.

Once the preferred solution is determined and approved by Council, an RFP will be called to complete the final phase of this project. The preferred solution could be either a design-build-operate, design-build, or conventional design only alternative. Similarly, all other options, potential partnerships, etc will be thoroughly reviewed and analysed as part of this phase of the project.

Therefore, based on Dennis Consultants' intimate knowledge on this project and their excellent performance to date, it is recommended that Dennis Consultants be authorized to complete the Biosolids Management Plan/EA process, at an estimated cost of \$135,000.00, and with GST and disbursements, the total estimated cost for this phase of the project is \$170,000.00, in accordance with their confidential proposal dated December, 2007.


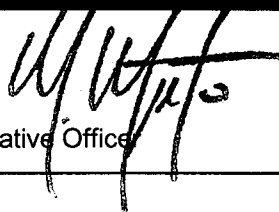
Request for Decision City Council





Type of Decision									
Meeting Date	January 30, 2008				Report Date	January 23, 2008			
Decision Requested	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No	Priority	<input checked="" type="checkbox"/>	High	<input type="checkbox"/>	Low
	Direction Only				Type of Meeting	<input checked="" type="checkbox"/>	Open	<input type="checkbox"/>	Closed

Report Title
Tender Award - Contract IS 07-35 Highway 69 North (M.R. 80) Reconstruction and Widening (Donaldson Crescent to Valleyview Road)

Budget Impact / Policy Implication		Recommendation	
<input checked="" type="checkbox"/>	This report has been reviewed by the Finance Division and the funding source has been identified.		
<p>That the net cost to the City after Provincial/Federal funding is \$8,370,414.55 of which \$5,610,000.00 has been approved in the 2007 and 2008 Capital Roads Budgets. It is recommended that the balance of \$2,760,414.55 be funded with \$650,000.00 from 2009 and \$2,110,414.55 from the 2010 Capital Roads Budgets.</p>		<p>That the tender for Contract IS 07-35, Highway 69 North (M.R. 80), Reconstruction and Widening from Donaldson Crescent to Valleyview Road, be awarded to TeraNorth Construction & Engineering Ltd. in the amount of \$11,194,039.42 (including GST) being the lowest tender meeting all the requirements; and</p> <p>That the funding will be provided from the 2007, 2008, 2009 and 2010 Capital Roads Budgets in accordance with the report from the General Manager of Infrastructure Services dated January 23, 2008.</p>	
<input checked="" type="checkbox"/>	Background Attached	<input type="checkbox"/>	Recommendation Continued

Recommended by the Department	Recommended by the C.A.O.
 Greg Clausen, P. Eng. General Manager of Infrastructure Services	 Mark Mieto Chief Administrative Officer

Report Prepared By	Division Review
 Bruce Sedgwick, P. Eng. Roads Engineer	 Robert M. Falcioni, P. Eng. Director of Roads and Transportation

Background

In January 2005, the City applied to the Canada Ontario Municipal Infrastructure Fund (COMRIF) Intake I for the upgrading and widening of M.R. 80 from Donaldson Crescent to Second Street, a total of 5.0 km.

The original scope of the work included adding a continuous two-way left turn to address safety and operational concerns with respect to collision history. The proposed improvements also included a curve realignment at McCrea Heights.

The cost estimate in 2005 to undertake the proposed work was \$8.0 Million Dollars. Under COMRIF, the City, Provincial and Federal governments would equally cost share one-third or \$2,666,667.00 of the project.

The first phase of this work was completed in 2006 from Valleyview Road to Second Street at a cost of \$4,630,433.00.

Introduction

Highway 69 North (M.R. 80) between Lasalle Boulevard and Valleyview Road is a major north/south arterial roadway linking communities and serving heavy commuter traffic.

The project includes widening this section of M.R. 80 from Donaldson Crescent to Valleyview Road to five lanes with the addition of a continuous two-way left turn lane. As part of this project, a major curve will be realigned to improve the overall safety on this section of M.R. 80. To improve pedestrian mobility, a continuous sidewalk will be provided from Donaldson Crescent to Fleming Street, and along Fleming Street to Valleyview Road. This will link to the sidewalk constructed under the first phase running north to Main Street (M.R. 15). Cyclists will also be accommodated by the provision of wider curb lanes and fully paved shoulders.

Tenders for Contract IS 07-35, Highway 69 North (M.R. 80), Reconstruction and Widening from Donaldson Crescent to Valleyview Road were opened at the Tender Opening Committee meeting of Tuesday, November 27, 2007, with the following results:

Bidder	Total Tendered Amount
TeraNorth Construction & Engineering Ltd.	\$11,194,039.42
K.J. Beamish Construction Ltd.	\$12,386,937.81
Pioneer Construction Inc.	\$12,744,127.28
Interpaving Ltd.	\$12,912,347.60
Adventure Construction Ltd.	\$13,080,870.64
R.M. Belanger Ltd.	\$13,467,933.24

The lowest tender meeting all contract specifications and requirements was submitted by TeraNorth Construction and Engineering Ltd. in the amount of \$11,194,039.42 (including GST) and is recommended for approval.

The tendered amount includes \$633,624.87 GST which is recovered from the Federal Government resulting in a net contract cost of \$10,560,414.52.

In addition to construction costs, there are additional costs for utility relocation estimated in the amount of \$250,000, bringing the total net capital cost, excluding GST for Phase II of the project to \$10,810,414.55. The total project cost from Donaldson Crescent to Second Street, including the Phase I cost of \$4,630,433.00 is \$15,440,848.

As identified to Council in the Kingsway project report dated August 2, 2006 (attached), the costs for the COMRIF I projects have increased significantly from the time of the application. Part of this increase is the enhancements provided in the design standards which include fully paved shoulders and widened lanes to accommodate cyclists and sidewalks and street lighting along the corridor to accommodate pedestrians. These standards are the same as those accepted by Council for the Kingsway Projects and the first phase of this project and are the standards, currently utilized on all major roadways.

The major cost increase however is due to the inflationary growth of the local and North American road construction industry. This is driven mainly by higher energy, fuel and labour costs.

As reported to Council previously, projects estimated in 2004 are now coming in at twice the original cost estimate.

As presented in the 2008 Capital Roads Budget the project was proposed to be funded over a four (4) year period from 2007 to 2010. The budget was based on an updated estimate, however the actual tender amount to complete the project is \$1.1 Million higher.

It is recommended that there be no changes to the 2007, 2008 or 2009 Capital Roads budgets but that the shortfall be covered with an increase of the 2010 Capital Roads budget allocation for this project of \$1.1 Million.

The recommended funding schedule is as follows:

2007	\$2,167,000
2008	\$3,443,000
2009	\$ 650,000
2010	\$2,110,000

Staff recommend that Council approve the tender award and funding schedule as discussed herein.


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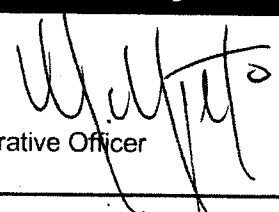


Type of Decision									
Meeting Date	August 9, 2006				Report Date	August 2, 2006			
Decision Requested	x	Yes		No	Priority	x	High		Low
	Direction Only				Type of Meeting	x	Open		Closed


Report Title
Tender Award of Contract 2006-16 Kingsway (MR 55) Four Laning - Falconbridge Road to Highway 17 E South-East By-Pass

Budget Impact / Policy Implication		Recommendation	
x	This report has been reviewed by the Finance Division and the funding source has been identified.		
<p>That the net cost to the City after Federal / Provincial Funding is \$8,902,873.63 of which \$1,135,000.00 has been included in the 2006 Capital Roads Budget. It is recommended that the balance of \$7,767,867.63 should be funded with 3,500,000.00 from 2007 and \$4,267,873.63 from the 2008 Capital Roads Budget.</p> <p>That the sanitary sewermain portion, \$50,225.00 (less GST), be funded from 2006 Sewer Capital Projects Budget. That the watermain portion, \$287,347.69 (less GST) be funded from 2007 Water Capital Projects Budget. (Funds are available from the Water and Sewer budgets because of the deferral of the Lasalle West Road Construction Project).</p>		<p>That the tender for Contract 2006-16, Kingsway (MR 55) Four Laning - Falconbridge Road to By-Pass, be awarded to Pioneer Construction Inc. in the amount of \$12,162,877.72 (including GST), being the lowest tender meeting all requirements; and</p> <p>That the shortfall in funding will be provided from the 2007 and 2008 Capital Roads Budget and that staff be directed to investigate alternative funding sources such as Federal Gas Taxes or recovery from a future Development Charges By-Law, in accordance with the report from the General Manager of Infrastructure and Emergency Services, dated August 2, 2006.</p>	
x	Background Attached		Recommendation Continued

Recommended by the Department
 for Alan Stephen, General Manager, Infrastructure and Emergency Services

Recommended by the C.A.O.
 Mark Mieto Chief Administrative Officer

Date: August 2, 2006

Report Prepared By	Division Review
 Robert M. Falcioni, P. Eng., Director of Roads and Transportation.	

BACKGROUND

In January 2005, the City applied to the Canada Ontario Municipal Infrastructure Fund (COMRIF), Intake I for the upgrading and four laning of 4.3 kilometres of the Kingsway between Falconbridge Road east to the Highway 17 East By-Pass near Coniston.

The original project scope of work included adding a second lane in both the east bound and west bound directions to the existing two-lane roadway. Left turning lanes were proposed at the intersections of Third Avenue, Levesque Street, and Moonlight Avenue. Traffic signals were also proposed to be added to the Third Avenue and Moonlight Avenue intersections. The Levesque Street intersection is already signalized.

The original project scope was developed in 1999. The cost estimate for the original scope of work was updated in 2005 to be \$6,000,000. Under COMRIF, the City, Provincial and Federal Governments would equally cost share 1/3 or \$2,000,000 for this project. Five of the seven road projects applied for were approved as part of the COMRIF Intake I application in May 2005.

INTRODUCTION

The Kingsway/Highway 17 E corridor is the major eastern entrance to our community. Recent commercial (at the Falconbridge Road and Barrydowne Road intersections) and industrial development (near the 17 E By-Pass intersection) along this corridor has been completed. Also several motel/hotels have been constructed and/or are proposed for this corridor.

In view of the either new or proposed new development along this corridor and updated City standards to accommodate pedestrians and cyclists, staff has enhanced the original design to include paved shoulders and wider curb lanes for the entire length of the project. Also existing built up sections between Falconbridge Road and Third Avenue and between Levesque Street and Moonlight Avenue will have been designed to full urban sections with curb and gutter, sidewalks and street lighting.

The project also includes a full centre raised median lane for the total length of the project. Left turn lanes will be constructed where currently required. The raised median controls access to the four lane road section and can be easily and economically converted to left turn lanes when required in the future with minimal disruption to through traffic.

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IES staff in conjunction with our Planning staff have provided enhanced landscaping along the corridor to enhance the appearance of this major corridor entrance. Staff is working closely with existing property owners to provide landscaping which complements/enhances the private landscaping either existing and/or anticipated in conjunction with this project.

Staff has prepared the detail design and tender documents for this project with the enhanced scope of work.

Tenders for Contract 2006-16, Kingsway (MR 55) Four Laning - Falconbridge Road to By-Pass, were opened at the Tender Opening Committee meeting of **Wednesday, July 12, 2006** and the following are the results:

Bidder	Total Tendered Amount	
		(Excluding GST)
Pioneer Construction Inc.	\$12,892,650.38	\$12,162,877.72
Interpaving Ltd	\$13,284,797.15	\$12,532,828.50
Terra North Construction and Engineering Ltd	\$13,436,192.18	\$12,679,653.00
R.M. Belanger Ltd	\$13,504,627.90	\$12,740,215.00

The lowest tender for Contract 2006-16, Kingsway (M.R. 55) Four Laning - Falconbridge Road to the By-Pass, meeting all the contract specification was submitted by Pioneer Construction Inc. in the amount of \$12,162,877.72 (excluding GST).

Part of this tender includes work that is funded from other areas, they include the Water / Wastewater Section in the amount of \$337,572.69 (excluding GST), the Nickel District Conservation Authority in the amount of \$127,509.67 (excluding GST) and part by new private development along the corridor in the amount of \$484,221.02 (excluding GST). This leaves a roads capital works balance of \$11,213,574.34 (excluding GST).

In addition to construction costs, there are additional costs for utility relocation and property acquisition. These costs are estimated in the amount of \$517,000 (excluding GST) and \$350,000 (excluding GST) respectively. There is also monies spent to date for required work completed at the intersection of Falconbridge Road and the Kingsway in the amount of \$822,299.29. Therefore, the total cost for the enhanced project is estimated at \$12,903,000.

The tenders have been analysed to determine a cost estimate for both the original scope of work as applied for to COMRIF and for the enhanced scope of work as discussed herein.

If Council elects to remain with the original scope of work the tender price from Pioneer Construction Inc. will be reduced to approximately \$7,890,000. Utility relocation costs will also be reduced accordingly. The estimated total cost for the original scope of work is estimated at \$8,440,000 as compared to approximately \$12,903,000 for the enhanced scope of work program.

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The cost estimate for the enhanced program includes the following components as discussed earlier in the report:

- Paved shoulder including rumble strip and bikelanes	\$ 600,000
- Full urbanization of two sections of roadway including curbs, gutters, storm sewers, sidewalks, streetlight and enhanced landscaping	\$ 2,100,000
- Continuous centre median /left hand turn lane and islands	\$ 1,600,000
- Increased Utility Relocation Costs	\$ 200,000
- Total Cost Estimate for Enhanced Program	\$ 4,500,000

The cost estimate for this project has increased significantly from when this project was last updated in January 2005. As Council is aware, the inflationary growth in the local construction industry and the significant increase in energy costs account for the increase in the cost estimate. The cost of asphalt which is the largest component of the increase accounts for approximately 40 percent of the total cost of the project.

This project will be completed in 2008; therefore, it is appropriate that funding be distributed over the three years of the actual construction period. Staff will be investigating various financing options for this project. For example, certain sections of the expanded scope of work to be performed may be eligible for reimbursement from the Federal Gas Tax Program. This will be reviewed during the 2007 budget deliberations. Alternatively, since part of this project is to service new growth, Council may choose to recover the net costs attributed to that growth through the City's development charges. This option will be explored further by staff. In March of 2006, Council directed staff to revisit the Development Charges by-law after the Province amends the Development Charges Act, which is expected within the upcoming year.

The proposed funding schedule for this project is summarized on the following table:

The total project cost will be as outlined below depending on the option chosen by Council.

	Enhanced Scope of Work	Original Scope of Work
Total Projects Cost	\$ 12,900,000	\$ 8,400,000
Provincial/Federal		
- COMRIF contribution	<u>4,000,000</u>	<u>4,000,000</u>
City Cost Share	\$ 8,900,000	\$ 4,400,000

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Proposed Funding Schedule

2006 Capital Roads Budget	\$ 1,135,000	\$ 1,135,000
2007 Capital Roads Budget	3,500,000	1,632,500
2008 Capital Roads Budget	<u>4,265,000</u>	<u>1,632,500</u>
TOTAL	\$ 8,900,000	\$ 4,400,000

Staff recommends that Council approve the enhanced program and funding schedule as discussed herein. The accompanying resolution speaks to the enhanced option. If Council elects to approve the original scope of work, the resolution will have to be directed to meet with Pioneer Construction to determine the actual construction estimate based on the original scope of work. Staff would report back to Council at the first Council meeting in September 2006.