

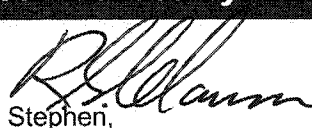
# Request for Decision City Council

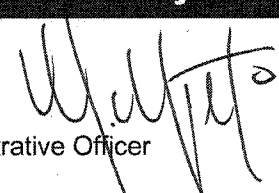


Type of Decision											
Meeting Date		August 9, 2006			Report Date		August 2, 2006				
Decision Requested		x	Yes		No	Priority		x	High		Low
		Direction Only				Type of Meeting		x	Open		Closed

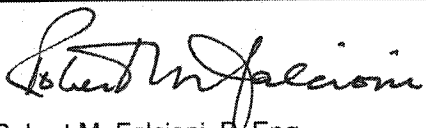
Report Title
Tender Award of Contract 2006-16 Kingsway (MR 55) Four Laning - Falconbridge Road to Highway 17 E South-East By-Pass

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.