

Subject: Detailed Design Assignment for Pelham Street Reconstruction Phase 3 & 4 and for Effingham Road between Hwy 20 and Tice Road

Recommendation:

BE IT RESOLVED THAT Council receive Report #2021-0151 – Detailed Design Assignment for Pelham Street Reconstruction Phase 3 & 4 and for Effingham Road between Hwy 20 and Tice Road;

AND THAT Council APPROVE the award of the Pelham Street Reconstruction detailed design engineering assignment to Associated Engineering Inc. (AE) in the amount of \$160,840 plus applicable taxes;

AND THAT Council APPROVE the award of the Effingham Road Reconstruction Detailed Design engineering assignment to Kerry T Howe Ltd. (KTH) in the amount of \$53,570 plus applicable taxes;

AND THAT Council APPROVE funding the budget shortfall from Public Works Project RD 16-21 and RD 18-21 from the Road Capital Reserve Account in the amount of \$29,410 plus applicable taxes.

Background:

In 2021, Council approved the capital projects for completing detailed designs for two projects: (1) Pelham Street Reconstruction Phase 3 and 4; and (2) Effingham Street Reconstruction between Hwy 20 and Tice Road. The approved budget for the projects was \$135,000 and \$50,000, respectively.

The Pelham Street Phase 3 and 4 reconstruction project is a continuation of the Pelham Street Reconstruction project, which extends from College Street in the downtown core of Fonthill to the south boundary between the Town of Pelham and the City of Welland. The project has received grant funding from the Federal Government as well as the Province of Ontario in the amount of \$4.2 M under the ICIP Grant. Currently, the Town is completing the construction of Phase 2 of the project, which extends from Port Robinson Road to John Street. Phase 3 of the

project has limits extending from John Street to the south entrance to Spruceside and Phase 4 has limits from the south entrance of Spruceside to the Pelham/Welland townline approximately 500 m south of the Quaker Road intersection. Based on the funding cash flow schedule established under the ICIP Grant it is anticipated that Phase 3 would be tendered and constructed in 2022/2023 and Phase 4 would be completed in 2024/2025 (pending capital budget approval). In order to successfully tender and begin construction in 2022 the detailed design assignment will need to commence as soon as possible.

The Effingham Road project is a full road reconstruction project with limits extending from Hwy 20 north to Tice Road. The project is approximately 1 km in length and has been designated by the Canada Summer Games as a segment on the road bicycle race route. This particular segment of road is in very poor condition as identified in the 2019 Pavement Condition Survey report prepared by Applied Research Associates (ARA). The report stated that the Pavement Condition Index (PCI) for the road segment is 51, which indicates that the pavement has reached the end of its useful life and reconstruction is warranted. In order to complete the reconstruction of the road in advance of the Canada Summer Games scheduled in August it is critical to begin the detailed design assignment as soon as possible so that the project can be tendered in the winter of 2022 with construction commencing in the spring.

Analysis:

As part of the 2021 capital budget Council approved detailed design assignments for (1) Pelham Street Phase 3 and 4 Reconstruction; and (2) Effingham Road Reconstruction in the amount of \$135,000 (plus applicable taxes) and \$50,000 (plus applicable taxes, respectively).

Staff have recently closed Request for Proposals (RFP's) for these assignments in accordance with the Town's procurement policy S402-00.

The RFP for the Detailed Design for Pelham Street Phase 3 and 4 closed on August 5th. The Town received three bid submissions. Based on the scoring completed by Town staff the preferred proponent is Associated Engineering Inc. (AE) at a total upset limit of \$160,840 (plus applicable taxes). As with all assignments of this nature the contract will be established based on a time and material basis.

The RFP for the Detailed Design for Effingham Road Reconstruction closed on August 20th. The Town also received three bid submissions for this opportunity. Based on the scoring completed by Town staff the preferred proponent is Kerry T. Howe Engineering (KTH) at a total upset limit of \$53,570 (plus applicable taxes).

Similarly, to the Pelham Street project the contract with the successful proponent will be established based on a time and material basis.

Recent increases in the cost to complete construction projects has been realized in the last year. It is safe to say that the costs associated with the engineering and administration work required to complete the projects have seen increases. Historically, engineering assignments are valued at approximately 5% of estimated construction costs. Since Covid, Niagara municipalities, including Pelham have seen engineering and contract administration costs come in at anywhere between 8% and 11%.

As a result of the increases in cost associated with engineering there are budget shortfalls to complete the above two projects.

Associated Engineering has the experience and resources to successfully complete the design assignment for Pelham Street Phase 3 and 4. AE was the original consulting firm that completed the preliminary design in 2013 for Pelham Street and has recently completed similar engineering and contract administration assignments on Phase 1 and Phase 2 of the Pelham Street Reconstruction project.

Kerry T Howe Engineering has successfully completed several similar design and contract administration projects with the Town of Pelham. KTH has the resources and experience to successfully complete this engineering assignment on time and within the proposed consultant's fee.

Staff have reviewed the submissions and are recommending award to the successful proponents in order to successfully complete the projects in accordance with the planned schedule.

Financial Considerations:

Council approved a budget of \$135,000 (plus applicable takes) for the detailed design for the Pelham Street Phase 3 and Phase 4 project under capital account RD 16-21. The successful proponent has submitted a price with an upset limit of \$160,840 (plus applicable taxes). As a result, there is a budget shortfall of \$25,840 for this project.

In addition, Council approved a budget of \$50,000 (plus applicable takes) for the detailed design of Effingham Road under capital account RD 18-21. The successful proponent has submitted a price with an upset limit of \$53,570 (plus applicable taxes). As a result, there is a budget shortfall of \$3,570 for this project.

The total estimated budget shortfall for these two capital accounts is \$29,410.

Staff's recommendation is to proceed with the award of these assignments and to fund the shortfall for these projects through a transfer from the Roads Capital Reserve fund.

Alternatives Reviewed:

Council may decide not to approve the additional expenditure above the original budget amounts. This would result in the projects being deferred until sufficient budget is approved through future capital budget requests. Staff are not supportive of this course of action seeing that the Pelham Street Reconstruction project has Federal and Provincial funding, which is time sensitive. Further, Effingham Road is considered to have one of the worst PCI's in the Town's network and is currently unsuitable to host a nationally sponsored race event such as the Canada Summer Games. A failure to proceed with the design and reconstruction of this section of road would force race organizers to re-evaluate the proposed route.

Council may also direct staff to negotiate with the successful proponent to reduce the scope of work on the Pelham Street Phase 3 and Phase 4 project to include only Phase 3 works. This course of action would reduce the overall cost of the assignment but would place a significant amount of pressure on Town staff to successfully complete Phase 4 of the project within the approved funding schedule for the ICIP grant. As a result, staff are not supportive of this course of action and are recommending proceeding with the full award of Phase 3 and Phase 4 of the project. At this time, staff do not recommend negotiating with the successful proponent for the Effingham Road Reconstruction project since this is not a phased project and reducing the assignment value would result in a decline in the level of service and quality of product.

Strategic Plan Relationship: Strong Organization

The Town's infrastructure benefits from properly designed and engineered projects and ensures that the projects are delivered in accordance with approved budgets and schedules. Timely replacement of our aging infrastructure is critical to ensuring the Town maintains a safe and efficient transportation network.

Consultation:

Consultation was undertaken with the Treasurer regarding the financial and budgetary considerations for this report.

Other Pertinent Reports/Attachments:

Not Applicable

Prepared and Recommended by:

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