

**Subject:** Award of Pelham Street Phase 4 – Contract 2023-0131

**Recommendation:**

**BE IT RESOLVED THAT Council receive Report # 2023-0131, for information;**

**AND THAT the tender for 2023-PW-13 Pelham Street Phase 4 from Spruceside Crescent to the Pelham /Welland town boundary be awarded to Rankin Construction Inc. in the amount of \$4,332,425, plus net HST rebate for a total cost to the Town of \$4,408,676;**

**AND THAT Council amend the motion from Council Report # 2023-0083 Public Works- Quaker Road Reconstruction Update and Pelham St Phase 4 Project to reflect the actual costs of Pelham St Phase 4 in the total amount of \$4,646,334 from the estimated amount of \$4,121,000 on the April 5, 2023 report #2023-0083;**

**AND THAT Council approve the additional funds to RD-21-23 Pelham St Phase 4 (#300649) in the amount of \$525,334 to be funded from the projected savings of \$647,000 from RD 11-22 Pelham St Phase 3 (#300629) for a net savings of \$121,666 as summarized in Appendix 1;**

**AND THAT Council approve the increase to the Roads Reserve in the amount of \$566,204; a decrease in the Water Reserve in the amount of \$485,538 and an increase in the Wastewater Reserve in the amount of \$41,000, for a total net decrease of the total projects in the amount of \$121,666 as summarized on Appendix 1.**

**Background:**

At its regular meeting of April 5, 2023 staff presented a report to Council requesting a budget amendment to defer the Quaker Road Reconstruction Project to 2024 and instead complete Pelham Street Phase 4 Reconstruction Project in 2023. This change was requested due to the fact that the Region had constructability and scheduling issues by trying to complete Quaker Road Reconstruction ahead of the Pelham Street Phase 4 Reconstruction. The following resolution was passed:

**BE IT RESOLVED THAT Council receive Report #2023-0083-Public Works – Quaker Road Reconstruction Project Update and Pelham St Phase 4 Project, for information;**

**AND THAT Council approve the deferral of the following projects to 2024: RD 13-23 Quaker Rd Reconstruction (\$2,100,000); WTR 01-23 Quaker Rd-Watermain (\$800,000) and WST 06-23 Quaker Rd-Wastewater (\$1,050,000) as summarized on Appendix 1;**

**AND THAT Council approve in 2023 the Pelham Street Phase 4 Reconstruction Road Project # 300649 for \$3,436,000 and Pelham St Phase 4 Watermain Project # 700286 for \$685,000, to be funded as follows: \$595,000 Roads Reserve, \$644,000 by the Water Reserve, \$41,000 by the Wastewater Reserve, \$791,000 by Ontario Community Infrastructure Fund (OCIF), \$1,200,000 ICIP Northern and Rural Grant and \$850,000 by Development Charges Revenue as summarized on Appendix 1;**

**AND THAT Council approve the change in funding for RD 09-23 Road Rehabilitation project # 300643 in 2023 from \$163,171 Roads Reserve and \$836,829 OCIF grant to \$630,171 Roads Reserve, \$324,000 from the Canada Community Benefit Fund (CCBF) and \$45,829 OCIF as summarized on Appendix 1.**

The Pelham Street Phase 4 Reconstruction project from Spruceside Crescent South to 500m south of Quaker Road (the Pelham/Welland town boundary) was originally budgeted for construction in 2024. The project is critical in the sense that it has Federal and Provincial grant funding with a mandatory substantial completion date of October 31, 2026. The project consists of road urbanization including catch basins, bike lanes, sidewalks, and curb and gutter, as well as replacement of the existing waterman, and is estimated to take 120 working days to complete.

Based on the above resolution staff worked closely with the design consultant and the Niagara Region to develop a schedule and plan to complete the Pelham Street Phase 4 Reconstruction project ahead of the Quaker Road Reconstruction project, currently scheduled now to be completed in 2024. The Pelham Street Phase 4 project and the Quaker Road Reconstruction project are critical to supporting development and improving safety for active transportation users and vehicular traffic.

Staff finalized the design, prepared the tender documents, and issued a request for tender (RFT) on April 27<sup>th</sup>, 2023.

### **Analysis:**

A construction tender called 2023-PW-13 Pelham Street Phase 4 from Spruceside Crescent to the Pelham/Welland town boundary closed on Thursday, May 18, 2023. A total of four (4) tenders were received and opened. All extensions and totals for all tenders were checked. No mathematical error was found in the bids received resulting in four compliant bids (please see Table below):

<b>Rank</b>	<b>Bidder</b>	<b>Amount (excl. HST)</b>
1	Kada Group Inc.	\$4,306,820.60
2	Rankin Construction Inc.	\$4,332,425.00
3	Demar Construction Inc.	\$4,507,115.16
4	Peter's Excavating Inc.	\$4,889,630.21

The design consultant and Town staff reviewed the submissions. As a result of that review and given that the request for tender states "The award of this tender is subject to Town Council approval and will be subject to a review of the Tenderer's qualifications and experience. This Tender will not necessarily be awarded to the low bidder", staff recommends awarding the tender for 2023-PW-13 Pelham Street Phase 4 from Spruceside Crescent to the Pelham/Welland town boundary to the second lowest bidder Rankin Construction Inc., at its bid price of \$4,332,425 plus HST for a total cost to the Town (net of the HST rebate) of \$4,408,676.

In the staff's opinion, Rankin Construction Inc. has the experience and technical expertise to complete the project on time and on budget. Their experience on the first three phases of the Pelham Street project has been on time and under budget. This project has a grant amount of \$1,200,000 from the Investing in Canada Infrastructure Program: Rural and Northern Stream which has a strict deadline for project completion. The Town cannot risk losing this grant to a firm that does not have experience on such a large-size project. The difference between the lowest and second lowest bidder is only \$25,604, which is a 0.6% difference.

Based on the Tender Price of \$4,332,425 plus HST by Rankin Construction Inc., staff prepared an updated total project cost estimate. Including contingency, engineering services, site inspection, material testing, non-refundable HST and other miscellaneous costs, the updated total project cost is estimated at \$4,646,334.

RD11-22 Pelham St Phase 3 is estimated to be under budget by approximately \$647,000. Most of these savings are from the following budget lines: contingency, Granular A, use of native fill, an under-run-on base asphalt, the deletion of

landscaping retaining walls, and less contaminated material than anticipated. These savings will offset the additional increase of \$525,334 to project RD-21-23 Pelham St Phase 4 by \$647,000, for a net savings of \$121,666.

### **Financial Considerations:**

Appendix 1 has an amended breakdown of the Pelham St Phase 4 Project funding sources. The yellow highlight on Appendix 1, shows the changes from the report that was submitted to Council on April 5, 2023 (#2023-0083). It also shows at the bottom of the report the net change from the April 5, 2023 report to the June 7, 2023 report, with a net savings of \$121,666.

On the April 5, 2023 report the additional funds requested for Pelham St Phase 4 were coming from project savings from the following projects: WST 02-22 for \$39,500, RD 13-21 for \$472,329, RD 03-20 for \$96,229, RD 13-22 for \$223,833 and the Roads Reserve for \$274,626 for a total amount of \$1,106,517. For simplicity of reading the amended Appendix 1 report, these savings have been allocated under the Roads Reserve for Project RD 11-22 (this is the first yellow highlight). All project savings ultimately go back to their respective reserves. The reason why the Town identifies savings from specific projects in-year is because Council has already approved these funds in the 2023 Capital Budget; therefore not impacting the reserve balances.

Appendix 1 shows that the additional funds required to complete RD 21-23 Pelham St Phase 4 is offset by savings from RD 11-22 Pelham St Phase 3, with a net savings of \$121,666.

### **Alternatives Reviewed:**

The alternative would be for Council to direct staff to award this project to the low bidder (Kada Group Inc.) in the amount of \$4,306,820.60 (plus HST).

### **Strategic Plan Relationship: Infrastructure Investment and Renewal**

The Town's infrastructure benefits from the timely replacement of aging infrastructure and is critical to ensuring the Town maintains a safe and efficient transportation network, water distribution system, wastewater collection system, and stormwater management system.

### **Consultation:**

A consultation was undertaken with the Town Solicitor.

### **Other Pertinent Reports/Attachments:**

## 2023-0083-PW Quaker Road Reconstruction Project Update

Appendix 1: 2023 Capital Budget Changes for Quaker Rd and Pelham St Phase 4  
Amended on June 7, 2023

### **Prepared and Recommended by:**

Jason Marr, P. Eng.  
Director of Public Works

Teresa Quinlin-Murphy, FCPA, FCA, MBA  
Director Corporate Services and Treasurer

### **Prepared and Submitted by:**

David Cribbs, BA, MA, JD, MPA  
Chief Administrative Officer