Agenda – Council – March 14, 2012

Report - Standing Policy Committee on Infrastructure Renewal and Public Works – March 5, 2012 adjourned to March 6, 2012

Item No. 6 2013 Capital Budget First Charge - Award of Contract - Sturgeon Road Bridge Replacement

STANDING COMMITTEE RECOMMENDATION:

On March14, 2012, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Infrastructure Renewal and Public Works and submits the following to Council:

1. That authorization be granted for expenditures of $2,200,000.00 before the 2013 Capital Budget is adopted as a first charge on the 2013 Capital Budget, in accordance with Subsection 288(2) of The City of Winnipeg Charter, to allow award of the project general contract.

2. That a Contract be awarded to PCL Constructors Canada Inc., which firm submitted the lowest responsive bid meeting all requirements of the published Bid Opportunity, in the estimated amount of $11,655,000.00 plus G.S.T., based on the Unit Prices identified in the low bidder's Bid Opportunity submission for the Sturgeon Road Bridge Replacement, Bid Opportunity No. 1021 2011.

3. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Report - Standing Policy Committee on Infrastructure Renewal and Public Works – March 5, 2012 adjourned to March 6, 2012

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On March 14, 2012, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Infrastructure Renewal and Public Works and submitted the matter to Council.

STANDING COMMITTEE RECOMMENDATION:

On March 6, 2012, the Standing Policy Committee on Infrastructure Renewal and Public Works concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

ADMINISTRATIVE REPORT

Title: AUTHORIZATION FOR EXPENDITURES ON THE 2013 CAPITAL BUDGET AS FIRST CHARGE AND AWARD OF CONTRACT FOR STURGEON ROAD BRIDGE REPLACEMENT BID OPPORTUNITY NO. 1021-2011

Critical Path: Standing Policy Committee on Infrastructure Renewal and Public Works, Executive Policy Committee, and Council

AUTHORIZATION

Author	Department Head	CFO	CAO
L. Deane, P. Eng. Manager of Engineering	B.W. Sacher, P.Eng. Director of Public Works	M. Ruta Chief Financial Officer	D. Joshi Chief Operating Officer

RECOMMENDATIONS

1. That authorization be granted for expenditures of $2,200,000.00 before the 2013 Capital Budget is adopted as a first charge on the 2013 Capital Budget, in accordance with Subsection 288(2) of the City of Winnipeg Charter, to allow award of the project general contract.

2. That a Contract be awarded to PCL Constructors Canada Inc., which firm submitted the lowest responsive bid meeting all requirements of the published Bid Opportunity, in the estimated amount of $11,655,000.00 plus G.S.T., based on the Unit Prices identified in the low bidder's Bid Opportunity submission for the Sturgeon Road Bridge Replacement, Bid Opportunity No. 1021-2011.

REASON FOR THE REPORT

Council approval is required for a first charge expenditure of capital funds prior to the adoption of the 2013 Capital Budget. The construction contract will commit 2013 Capital Budget funds in 2012.

As the contract amount exceeds $10,000,000.00 and there are insufficient funds in the approved capital budget, Council may allocate 2013 capital funds and award the contract pursuant to the Materials Management Policy.

IMPLICATIONS OF THE RECOMMENDATIONS

The financial status of the project is as follows:

Authorized Funding	
2010 Approved Capital Budget	$1,000,000.00
2011 Approved Capital Budget	$533,000.00
2012 Approved Capital Budget	$11,477,000.00
Total Project Funding Available	$13,010,000.00
Sturgeon Road Bridge Replacement Bid Opportunity 1021-2011 (Amount of this Award)	$11,655,000.00

Contingencies:	$985,000.00
Engineering:	$1,075,000.00
Property Acquisition:	$150,000.00
City of Winnipeg Waterway Permit:	$35,000.00
Manitoba Hydro:	$370,000.00
Traffic Services:	$125,000.00
Traffic Signals:	$125,000.00
Engineering Administration:	$405,000.00
Interest and Administrative Overhead:	$125,000.00
Administrative Overhead:	$100,000.00
Strategic Municipal Infrastructure Research:	$60,000.00
Estimated Total Project Cost:	$15,210,000.00
Budget Shortfall	($2,200,000.00)
Proposed Funding – 2013 Capital Budget – Public Works Waterway Crossings and Grade Separations	$2,200,000.00
Estimated Surplus	Nil

HISTORY

The 2012 Capital Budget adopted by Council on December 13, 2011 included $11,477,000.00 for the Sturgeon Road Bridge. The 2010 and 2011 Capital Budgets included $1,000,000.00 and $533,000.00 respectively for a total project budget of $13,010,000.00.

Based on the lowest Bid Opportunity submission by PCL Constructors Canada Inc., the total cost related to the above contract award is estimated to $15,210,000.00.

A budget shortfall of $2,200,000.00 is proposed to be made up by authorizing a first charge of the 2013 Capital Budget reallocating forecasted amounts for the Public Works Waterway Crossing and Grade Separations Annual Program. As construction will continue over a two year period, the first charge amounts will not be required until 2013.

Final receipt of bids was 12:00 p.m. on February 8, 2012. Four (4) bids were received.

Evaluation Matrix

BIDDER	COMPLIANCE	QUALIFICATIONS	TOTAL PRICE
Gateway Construction & Engineering Ltd.	Fail	Pass	$9,730,648.23*
PCL Constructors Canada Inc.	Pass	Pass	$11,655,000.00
M. D. Steele Construction Ltd.	Pass	Pass	$11,891,498.86
Borland Construction Inc.	Pass	Pass	$13,248,951.32

***** Due to an error on the face of the bid, Gateway Construction & Engineering Ltd. requested their bid be withdrawn. Approval for the withdrawal was given on February 13, 2012 by the Chief Operating Officer.

The Bid Opportunity recommended for acceptance is the lowest responsive bid meeting all requirements of the Bid Opportunity package.

The lapse date for the award of this Contract is April 8, 2012. However, an Award must be made by March 30, 2012 in order to meet the Project Schedule in accordance with Clause D15.4 of the Bid Opportunity.

The Manager of Materials Management has advised that all bid submissions were accompanied by a satisfactory bid security. The Department Controller has confirmed that the funds are approved and available except as otherwise noted.

The proposed Contractor is certified in the Certificate of Recognition (COR) program with the Construction Safety Association of Manitoba (Registration Number #10712-99).

The Engineering staff of the Department and the Engineering Consultant has the opinion that the recommended bidder has the necessary experience and resources to perform all the work in accordance with the requirements of the Bid Opportunity package. The Contractor has satisfactorily carried out previous construction works of a similar nature for the City of Winnipeg.

FINANCIAL IMPACT

Financial Impact Statement **Date:** February 28, 2012

Project Name: **First Year of Program** **2012**

AWARD OF CONTRACT FOR STURGEON ROAD BRIDGE REPLACEMENT - BID OPPORTUNITY NO. 1021-2011

	2012	2013	2014	2015	2016
Capital					
Capital Expenditures Required	$ 15,210,000	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	13,010,000	-	-	-	-
Additional Capital Budget Required	$ 2,200,000	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
2013 Cash to Capital	2,200,000	-	-	-	-
Total Funding	$ 2,200,000	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ 2,200,000				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ -	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	519,400	110,600	-	-	-
Net Cost/(Benefit)	$ (519,400)	$ (110,600)	$ -	$ -	$ -
Less: Existing Budget Amounts	(519,400)	(110,600)	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: The 2010, 2011, and 2012 Capital budgets adopted by Council includes a total of $13,010,000.00 for the Sturgeon Road Bridge (project # 1805000210). Additional Capital Budget of $2,200,000.00 is requested as first charge on the 2013 Public Works Waterway Crossings and Grade Separations Annual Program. The incremental revenue/recoveries are the Corporate and Departmental overhead recoveries.

"Original Signed by D. Stewart, CA"
D. Stewart CA
Manager of Finance & Administration

CONSULTATION

In preparing this report there was consultation with:
Legal Services
Materials Management

SUBMITTED BY

Department:	Public Works
Division:	Engineering
Prepared by:	B. Neirinck, P. Eng.
Processed by:	K. Ross
Date:	2012 02 24
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