

CITY OF ELLIOT LAKE



CITY COUNCIL - REGULAR MEETING  
ADDENDUM

Monday, December 10, 2018

7:00 pm

COUNCIL CHAMBERS

Pages

15. ADDENDUM

- |             |                                                                 |                 |
|-------------|-----------------------------------------------------------------|-----------------|
| <b>15.1</b> | <b><i>December 4, 2018. Report from Engineer Consultant</i></b> | <b><i>2</i></b> |
|             | re: Valley Crescent and Hemlock Place Improvements              |                 |
| <b>15.2</b> | <b><i>By-Law 18-70</i></b>                                      | <b><i>6</i></b> |
|             | Being a by-law to appoint a Chief Building Official.            |                 |



The Corporation of the City of Elliot Lake

**Report OPS 2018**

Report for the Consideration of Council

**RE: Valley Crescent & Hemlock Place Improvements**

**OBJECTIVE**

To provide Mayor and Council and Committees with information regarding plans to re-tender the Valley Crescent & Hemlock Place Capital Improvements.

**RECOMMENDATION**

**THAT** the Engineering Consultant's Report dated December 4, 2018 from Tulloch Engineering be received and that

the Valley / Hemlock capital project be carried over and pre-approved as a 2019 capital project and that Staff be directed to re-tender the project as soon as practical to ensure the timely construction in the spring of 2019.

Respectfully Submitted

Approved

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Rob Fennema, P.Eng.  
TULLOCH Engineering

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Daryl Halloch  
Elliot Lake Director of Public Works

December 4, 2018

## BACKGROUND

In early fall 2018, a work package for Valley and Hemlock improvements was tendered and the lowest bid came back nearly \$1.4 million above the monies set aside for the work.

The City and the Engineering Consultant were surprised at the difference and a review of the planning and budget creation process was undertaken.

The scope of work is not particularly flexible if the City is to achieve the desired performance and infrastructure life-cycle objectives.

Options were considered to lower the price but they are limited and speculative:

- Add work such as Pine and Poplar to create economies of scale;
  - This project has not been designed, Tulloch has only completed the detailed topographical surveys
  - Adds to the money required in a single construction season
  - Funding inquiries and other measures are ongoing for Pine / Poplar
- Remove portions of the work;
  - Separate Hemlock to reduce the scope and price for the upcoming construction season
- Negotiate with lower bidder (too late)
  - To reschedule work to 2019 and ask for a revised price
  - The decision has exceeded the Tender Expiry Date which required the contractor to hold the offer irrevocable for 90 days
- Re-tender to schedule work in non-winter working season
  - Anticipating the lower cost of operating in spring and summer to be reflected in slightly lower bids for the same work package.

## ANALYSIS

The capital budget for this project in 2018 is approx. \$2.4 million. Review of the bids submitted in 2018:

- Belanger - \$3.8 million (including HST)
- Beamish Construction - \$4.3 million (incl. HST)

The City made the decision to withhold the award of a contract based primarily on the difference between the bids and the budget. The bids were allowed to lapse. The City now must make decisions concerning the planning and budget process for this and future major road and infrastructure upgrades.

One factor potentially inflating the bids was the timing of the work requiring fall and winter work. *It is expected that rescheduling work to the regular northern Ontario construction season, contractors will adjust their prices accordingly.* This may result in better unit rates for this project. These rates can then be referenced for similar future projects and worked into the 10 year infrastructure plan accordingly.

Tulloch recommends that the current Valley / Hemlock Project be retendered with the following modifications;

- Allow Contractors flexibility to propose a schedule that will permit their best price
- Require Contractors to include a work schedule
- Clarify and modernize the administrative portion of the bid package as recommended in 2017. Several of the current bid requirements unnecessarily complicate the process for Contractors and City Staff.

Tulloch also suggests that the City (Public Works and Financial staff) regard the previous budget calculations for road work upgrades as underfunded in general and following the conclusion of this tender review and amend the 10 Year Plan budget to reflect current and potentially escalating costs going forward.

In order to keep the City in a ready state to capitalize on funding options and to coordinate this with seasonal construction work Tulloch recommends that the design of the next road/infrastructure project be complete by June 2019 in preparation for tendering in the fall of 2019.

## FINANCIAL IMPACT

The report is to assist the City with next steps to construct the planned work at Valley /Hemlock. As this recommends retendering, the exact impact to the budget is unknown. The value may optimistically be estimated as less than \$3,843,053.16 incl. HST.

## LINKS TO STRATEGIC PLAN

The Public Works Department has a 10 Year Plan for infrastructure Replacement. This Plan identifies and prioritizes those locations where infrastructure has exceeded its life cycle and repairs are becoming cost prohibitive. The road and infrastructure repairs proposed for Valley and Hemlock are the next priority on the Plan.

Undertaking of infrastructure projects is consistent with the Strategic Plan commitment toward “Continued Investment into Infrastructure”. This report serves to assist in “educating the public on infrastructure operations, repair and replacement”.

## SUMMARY

The cost of the proposed work exceeds the budget forecast and is an indicator that budgeting must be reviewed to have a feasible plan. With the cost range better understood, it is time to reset the 10 Year Plan and to move the first of several important infrastructure replacement projects forward.

A revised tender package has been drafted pending confirmation from Council to retender now for spring 2019 construction.

**THE CORPORATION OF THE CITY OF ELLIOT LAKE**

***B*Y-LAW NO. 18-70**

Being a by-law to appoint a Chief Building Official.

**WHEREAS** Article 3(2) of the Ontario Building Code Act requires the Council of each Municipality to appoint a Chief Building Official;

**NOW THEREFORE** the Council of The Corporation of the City of Elliot Lake **ENACTS AS FOLLOWS:**

1. **THAT** Leo Chaloux is hereby appointed Chief Building Official of The Corporation of the City of Elliot Lake for the purpose of the enforcement of The Building Code Act as amended from time to time, in the City of Elliot Lake, effective December 10, 2018
2. **THAT** the said Leo Chaloux shall hold office during the pleasure of Council and shall perform the duties of Chief Building Official as prescribed from time to time under any statute of the Province of Ontario and any regulations made thereunder or by by-law or resolution of the Council.
3. **THAT** By-law No. 18-53 is hereby repealed.

**PASSED** this 10<sup>th</sup> day of December, 2018

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**MAYOR**

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**CITY CLERK**