



# Municipality of Port Hope

## Staff Report

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### Report Title: Walton Street Reconstruction

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**Report to:** Council

**Date of meeting:** November 21, 2023

**Report Author:**

Jeanette Davidson, Director, Works and Engineering

**Department responsible:**

Works & Engineering

**Report Number:** WE-23-23

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### Recommended Action:

Refer to resolutions.

### Highlights:

- Tender for remaining Walton Street reconstruction work closed November 3.
  - The approved 2023 Capital budget for Phase 2 is in the amount of \$6,409,000.
  - Only one compliant bid has been received for phase 2 of the Walton Street reconstruction project in the amount of \$8,953,854 net HST. Total estimated costs based on the bid would be \$10,496,046 including other non construction costs identified.
  - \$3,011,255 of unfunded amounts from 2022 and 2023 has been included as part of the 2024 draft budget to complete the Walton Street reconstruction project.
  - An additional \$4,087,046 (currently unfunded) would be required to award this project to the sole compliant bidder.
  - Staff recommend the cancellation of the contract in favour of adjusting the scope of the project by splitting the project into two phases to be completed over two years.
  - It is anticipated this will result in more interest in bidding, and submissions more in line with anticipated total budget amounts identified by staff and external expert engineering resources over the course of this project.
  - This report is not intended to provide opinion / qualification on the specific tender submissions received.
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## **Background:**

The remaining work associated with the Walton Street Reconstruction project, known as Phase 2, involves the reconstruction of approximately 500m of Walton Street from Pine Street to Mill Street.

Work will include but not be limited to removals, new asphalt, concrete curb, concrete sidewalk, watermain, sanitary sewer, storm sewer and tree planting. The remaining work associated is a significant, challenging, generational project that will replace some of the oldest and most complicated infrastructure in the Municipality. The infrastructure is in need of replacement as soon as reasonably possible as identified in previous reports, communications, and public presentations.

The Tender for Contract No. 61-ENG-2023 for Phase 2 of the Walton Street Reconstruction Project closed on November 3, 2023. There was only one compliant bid received. There was one other bid originally received (that was an even higher amount) but it was disqualified on the grounds of insufficient mandatory insurance coverage not being omitted.

The sole compliant bid was received from Trisan Construction at a base amount of \$8,953,854 including net HST.

On top of this, additional requirements in addition to the bid include:

- \$896,000 for contingencies (10%)
- \$481,192 for Contract Admin and inspection
- \$25,000 for communications
- \$40,000 for material testing
- \$100,000 for streetlight refurbishment (estimate)

Based on the bid received this would bring the total budget requirement to \$10,496,046 if award was to proceed.

The budgeted amount for the remaining work, as included in the approved 2023 Capital budget was \$6,409,000 total.

## **Discussion:**

Staff are of the opinion, following consultation with external engineering and design consultants experienced in complicated main street reconstruction projects, that the biggest driver resulting in higher than anticipated amounts and fewer submissions than would typically be anticipated, is the 1-year construction requirement.

Not only was a 1-year requirement identified, but the staging and traffic control measures associated with a 1-year timeline, make for more expensive and resource dependent reconstruction. The prescriptive staging outlined as part of the tender specifications and drawings based on a 1-year construction are higher than what would typically be required for such a project.

The tender prepared included incorporation of extensive feedback. The particulars, in relation to the design and material requirements, and the staging and traffic control

measures, have been poured over in great detail. The engineering firm supporting staff through the reconstruction project has considerable experience in similar projects and was contracted to assist in preparing the tender documents. The same firm has reviewed the received tender and provided comment that informs this report. Staff are of the opinion that the tender process and its associated requirements are of a standard befitting the best practices of the industry.

Staff cannot support awarding Contract No. 61-ENG-2023 to the sole bid received and recommend cancelling the contract and not awarding the project based on having insufficient funds. This is the most fiscally responsible course of action.

It is further proposed that the scope of work be adjusted by splitting the remaining project into 2 phases to be completed over 2 years. Doing so, staff believe, may increase the number of qualified companies interested in submitting tender proposals based on a more reasonable timeframe for completion. Adjusting to 2 separate tenders over 2 years may result in more interest from qualified bidders.

The proposed next phase would include reconstruction between Queen Street and Cavan Street in 2024. This represents the most challenging and impactful portion of the remaining work.

Following this, the 2025 budget would consider the next phase between Cavan Street and Pine Street and the finalization of the project. The section of Walton Street between Queen Street and Mill Street only includes milling and re-paving the surface of the asphalt and would be completed as part of the 2025 work.

Consideration of this report and its associated recommendation is time sensitive in order to prepare accordingly for reissuing a tender for work in 2024. This report is being brought directly to Council in order for an immediate decision to be made about how to proceed from here.

### **Financial Considerations:**

Based on the compliant bid total costs for the reconstruction Phase 2 of Walton Street would be \$10,496,046. The approved 2023 Capital Budget amount for this project is \$6,409,000 which has been identified as being insufficient to meet the requirements for this project as tendered. \$3,011,255 of the 2022 and 2023 budgets is unfunded and has been included for consideration as part of the 2024 budget. In order to award, an additional \$4,087,046 would be required.

### **Communication and Public Engagement:**

The Municipality remains committed to reducing the burden and impacts on business owners in the downtown through the reconstruction. Efforts to adjust the scope to a 1-year period were made based on the explicit feedback received by owners throughout the design stages and first introduction of the Walton Street reconstruction requirement.

The Municipality's efforts to contain major construction impacts primarily to 2024 were well intended but it is believed the same is the primary driver resulting in only one compliant bid at an amount far more than what was budgeted.

Staff resources have been involved in community engagement and regular updates to the community about this project since its inception. Multiple public reports and presentations have been made through the design process and public notices have been released at multiple points.

Plans to include extensive project branded communications, weekly updates, a dedicated construction office, dedicated webpages and social media pages, have not and will not change in breaking the remaining work over two years. These efforts and more will be continued as a means to mitigate the impact and keep two way communications with those effected through the work.

At the time that this staff report was posted on the public agenda, an additional update about the recommended next steps of the Walton Reconstruction project has been published on the Municipality's website. Staff will continue to provide project updates, as more information becomes available.

**Conclusion:**

Works and Engineering staff recommend cancelling the contract (61-ENG-2023) of the Walton Street reconstruction project due to insufficient funds, adjusting the scope of the project, and re-issuing a revised tender to allow a portion of the work to proceed in 2024 with the remainder to follow in 2025.

**Attachments:**

None.