

ADDENDUM TO THE DURHAM REGIONAL COUNCIL AGENDA

July 25, 2018

Other Business

Consideration of Reports subject to unanimous consent of all members present and voting:

3. Confidential Report from the Director of Legal Services – Litigation/Potential Litigation before an Administrative Tribunal, and Advice that is Subject to Solicitor-Client Privilege, as it relates to on-going litigation for the Durham Region Transit Westney Facility Expansion (2018-COW-151)
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Recommendations to Council:

That the recommendations contained in Confidential Report #2018-COW-151 of the Director of Legal Services be adopted.

(A copy of Confidential Report #2018-COW-151 is provided under separate cover.)

4. Additional Financing and Tender Award for Regional Municipality of Durham Contract D2018-030 for the Construction of the Bus Rapid Transit Improvements on Regional Highway 2, between Westney Road and Harwood Avenue, in the Town of Ajax ([2018-COW-152](#))
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Recommendations to Council:

- A) That the low tender of KAPP Contracting Inc. in the amount of \$5,970,515.83*; be accepted for Regional Municipality of Durham Contract D2018-016 for the Construction of the Bus Rapid Transit Improvements on Regional Highway 2, between Westney Road and Harwood Avenue, in the Town of Ajax, resulting in a total estimated project cost of \$11,056,086*;
- B) That the previously approved project budget of \$10,107,268 be increased by \$948,818 to a revised total project budget of \$11,056,086;
- C) That the additional financing in the amount of \$948,818 be provided at the discretion of the Acting Commissioner of Finance; and
- D) That the Regional Clerk and Regional Chair and CEO be authorized to execute the necessary agreements.

(A copy of Report #2018-COW-152 is attached, see pages 527 - 530)



The Regional Municipality of Durham Report

To: Regional Council
From: Commissioner of Works
Report: #2018-COW-152
Date: July 25, 2018

Subject:

Additional Financing and Tender Award for Regional Municipality of Durham Contract D2018-030 for the Construction of the Bus Rapid Transit Improvements on Regional Highway 2, between Westney Road and Harwood Avenue, in the Town of Ajax

Recommendations:

That it is recommended to Regional Council:

- A) That the low tender of KAPP Contracting Inc. in the amount of \$5,970,516*; be accepted for Regional Municipality of Durham Contract D2018-030 for the construction of the Bus Rapid Transit improvements on Regional Highway 2, between Westney Road and Harwood Avenue, in the Town of Ajax, resulting in a total estimated project cost of \$11,056,086;
 - B) That the previously approved project budget of \$10,107,268 be increased by \$948,818 to a revised total project budget of \$11,056,086;
 - C) That the additional financing in the amount of \$948,818 be provided at the discretion of the Acting Commissioner of Finance; and
 - D) That the Regional Clerk and Regional Chair and CEO be authorized to execute the necessary agreements.
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Report:

1. Purpose

- 1.1 The purpose of this report is to obtain approval for additional financing and the award of Regional Municipality of Durham (Region) Contract D2018-030 for the construction of the Bus Rapid Transit (BRT) improvements on Regional Highway 2 (Kingston Road), between Westney Road and Harwood Avenue, in the Town of Ajax (Ajax). Dollar amounts followed by an asterisk (*) are before applicable

taxes.

2. Background

- 2.1 As recommended in the Durham Region Transportation Master Plan and Transit Priority Measures Environmental Study, the Region is expanding the BRT network along Highway 2. The segment between Westney Road and Harwood Avenue, in Ajax, is the next location scheduled for construction. Detailed design for this section has been completed. The project features both widening and rehabilitation to accommodate new dedicated bus and bike lanes. Temporary traffic signals at Ritchie Avenue and advanced retaining wall structures have been constructed to expedite the overall construction schedule.
- 2.2 This project is part of the Quick Win agreement set to expire in March 2019, and part of the current Federal Public Transit Infrastructure Fund (PTIF) agreement set to expire in March 2020. Therefore, all construction must be completed by March 2020.

3. Design and Tender

- 3.1 The Works Department's Transportation Design Division retained a consultant to complete the detailed design and tender for the widening of the project segment to accommodate dedicated bus-only lanes and buffered bike lanes.
- 3.2 Construction work is expected to commence in August 2018, subject to approval of this report. The work is expected to be complete in September 2019. Weather conditions may affect the proposed schedule.

4. Tender Information

- 4.1 Tenders were received for Regional Contract D2018-030 – Highway 2 BRT at Regional Headquarters on July 5, 2018, as follows:

<u>Bidder</u>	<u>Total Tender Amount*</u>
KAPP Contracting Inc.	\$5,970,516
Dagmar Construction Inc.	\$5,984,281
Coco Paving Inc.	\$7,202,869

- 4.2 It is recommended that the lowest compliant bidder, KAPP Contracting Inc., be awarded Regional Contract D2018-030.

- 4.3 The lowest compliant bid received from KAPP Contracting Inc. exceeds the tender budget estimate for this project. The higher cost is attributable to the current market conditions along with additional work required to phase the project over two construction seasons.

5. Financial Implications

- 5.1 Section 9.4 of the Region's Budget Management Policy requires Regional Council approval prior to the award of a contract where additional financing is required. It is recommended that the additional financing in the amount of \$948,818 be provided at the discretion of the Acting Commissioner of Finance.
- 5.2 The proposed changes to the project costs are as follows:

Project Component	Approved Project Budget \$	Proposed Changes \$	Revised Project Budget \$
Tender (excluding taxes)	\$5,118,706	\$851,810	\$5,970,516
Net HST	90,089	14,992	105,081
Engineering	465,197	0	465,197
Contract Administration	151,128	0	151,128
Miscellaneous	71,249	0	71,249
Advanced Project Works (including temp. signals, retaining wall and noise wall)	3,659,342	0	3,659,342
Contingencies	551,557	82,016	633,573
Total Costs (H1720/D1404) (including BRT improvements, watermain, municipal and other works)	<u>\$10,107,268</u>	<u>\$948,818</u>	<u>\$11,056,086</u>

6. Conclusion

- 6.1 It is recommended that the lowest compliant bidder, KAPP Contracting Inc., be awarded Regional Municipality of Durham Contract D2018-030 for the construction of the Bus Rapid Transit improvements on Regional Highway 2 (Kingston Road), between Westney Road and Harwood Avenue, in the Town of Ajax, at a revised total project budget of \$11,056,086.
- 6.2 It is also recommended that additional financing in the amount of \$948,818 be provided at the discretion of the Acting Commissioner of Finance.
- 6.3 This report has been reviewed by the Finance Department and the Acting Commissioner of Finance concurs with the financial recommendations.

Respectfully submitted,

Original signed by

S. Siopis, P.Eng.
Commissioner of Works

Recommended for Presentation to Committee

Original signed by

G.H. Cubitt, MSW
Chief Administrative Officer