

Corporate Report

REPORT NUMBER 015-2023-Infrastructure & Operations-Engineering & Operations		
DATE		
PREPARED	December 19, 2022	FILE

MEETING DATE	January 9, 2023	
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SUBJECT	Contract 7, 2022 – Balmoral Reconstruction Stages 3 & 4 Additional Work	
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RECOMMENDATION

WITH RESPECT to Report R 015-2023 - Infrastructure & Operations – Engineering & Operations, we recommend that an increase in the value of Contract 7, 2022 Balmoral Reconstruction Stages 3 & 4 awarded to Bruno’s Contracting Thunder Bay Ltd. be authorized in the amount of \$672,420.92 (inclusive of HST) bringing the total contract value to \$8,967,046.93 (inclusive of HST);

AND THAT the Mayor and City Clerk be authorized to sign all documentation related to these matters;

AND THAT any by-laws necessary be presented to Council for approval.

LINK TO STRATEGIC PLAN

The rehabilitation of Balmoral Street is included as item 3 of the ‘Renew’ pillar of the 2019-2022 Corporate Strategic Plan.

EXECUTIVE SUMMARY

This report summarizes the additional construction work required for the Balmoral Reconstruction Project and recommends a source of financing to cover the costs. Additional work includes general civil work, and significant additional electrical work particularly at the Central Avenue and Balmoral Street intersection.

Approval is requested from City Council to extend the contract price in order that all final payments can be made to the contractor involved. The amount required is \$672,420.92 (inclusive of HST) and represents a 7% increase in contract value.

DISCUSSION

The Balmoral Reconstruction contract was tendered, with the successful bid awarded to Bruno's Contracting Thunder Bay Ltd. at a cost of \$8,294,626.01, inclusive of HST and a contingency of \$200,000. It is noted the tendered contingency for this project is significantly lower than typical. Contingency is usually budgeted at approximately 10% of the construction costs depending on the complexity of the work. Due to a last minute funding allotment during budget deliberations, the second stage of this project was added to the project and had to be designed and tendered in a very short time period and the contingency amount was not updated to reflect the larger project. The pre tender estimate for this project was approximately \$10,000,000.

Final cost for this contract will exceed the approved contract amount by \$672,420.92 (inclusive of HST). In order that final payments to the contractor can be made, Administration is reporting the circumstances to City Council that have resulted in a variance to the approved contract amount. Funds are available within the original budget set aside for this project in 2022 to cover the extra work.

General Civil Work

Additional general civil work was added to the contract including additional brushing to access watermain, watermain lowering at conflict areas, tree plantings, additional sidewalk, retaining wall and headwall removals, construction of retaining wall and installation of additional rip rap, crushed stone and pipe subdrain, installation of ducts for future utility use, use of variable messaging signage and other additional signage, construction of permanent access pads to hydro poles and some additional storm and drainage work including ditching, culverts, insulation and drainage basins and leads to ensure adjacent properties were not adversely affected post construction. The value of this addition civil work amounted to approximate \$350,000 plus HST.

Additional Electrical Work

A significant amount of additional electrical work was completed for this project, particularly at the intersection of Central Avenue and Balmoral Street. Once work began at the intersection, significant underground conflicts were found leading to additional pole relocations, requiring taller poles and longer signal arms. In addition, almost all the existing ducts were plugged leaving the contractors unable to pull new wiring through the existing conduit. As a result, the intersection was fully rebuilt, including new conduit, wiring, poles, signal arms, rewiring and relocation of signal boxes and other associated infrastructure. The cost for the intersection rebuild amounted to approximately \$320,000 plus HST. Administration notes this cost is typical of intersection rebuild contracts completed at other locations.

In addition, two new electrical feeds and the transfer of another feed were undertaken to power the new street lighting at a cost of approximately \$40,000 plus HST. These had

to be completed because some cable was found to be constructed to old direct buried standards. Ducts and new wiring were required for the installations. As well with the pole relocations some new ducting and wiring work was necessary.

FINANCIAL IMPLICATION

The following breakdown of added project costs is provided:

Original Tender Award	\$8,294,626.01
Less contingency allowance	(\$200,000.00)
Subtotal	\$8,094,626.01
 Additional Work	 \$872,420.92
 Final Contract Price	 \$8,967,046.93

This represents a total of \$872,420.92 (inclusive of HST) above the previously approved contract amount for which City Council approval is required.

This relates to an after HST rebate amount of \$605,535.87. Funds are available within the original budget set aside for this project in 2022.

CONCLUSION

It is concluded that an additional \$872,420.92 (including HST) be approved to allow for payment of costs related to the Balmoral Reconstruction contract.

BACKGROUND

Report R 66/2022 awarded Contract 7, 2022 for the Balmoral Reconstruction Phases 3 & 4. The recommendation included that the General Manager of Infrastructure & Operations report any circumstances to City Council, should any significant variations in the contract quantities occur.

REFERENCE MATERIAL ATTACHED

NA

REPORT PREPARED BY

Mike Vogrig, P. Eng., Project Engineer

REPORT SIGNED AND VERIFIED BY

Matthew Pearson, Manager – Central Support – Infrastructure & Operations

Date: December 21, 2022