

Clause No. 7 in Report No. 3 of Committee of the Whole was adopted, without amendment, by the Council of The Regional Municipality of York at its meeting held on February 20, 2014.

(Mayor Hackson declared an interest in this item as she lives on 2nd Concession and did not take part in the consideration or discussion of or vote on this item.)

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CONTRACT ADMINISTRATION, SITE INSPECTION AND ENVIRONMENTAL MONITORING SERVICES FOR 2ND CONCESSION WIDENING AND SERVICING BETWEEN BRISTOL ROAD AND QUEENSVILLE SIDEROAD

Committee of the Whole recommends adoption of the following recommendations contained in the report dated January 27, 2014 from the Commissioner of Transportation and Community Planning and the Commissioner of Environmental Services:

1. RECOMMENDATIONS

It is recommended that:

1. Council approve the award of the contract for contract administration, site inspection and environmental monitoring services for the 2nd Concession (Y.R. 34) widening and servicing infrastructure project from Bristol Road to Queensville Sideroad (Y.R. 77) to MMM Group Limited, pursuant to Request for Proposal P-13-153, at a total upset limit cost of \$5,214,140, excluding HST.
2. The Commissioner of Transportation and Community Planning be authorized to adjust the contract administration, site inspection and environmental monitoring services fees, within the Capital Spending Authority for this project, using the competitive unit price of up to \$12,960 per week, excluding HST, once the updated construction duration is determined.
3. The Commissioner of Transportation and Community Planning be authorized to execute the agreement on behalf of the Region.

2. PURPOSE

This report seeks Council authorization to retain engineering services for contract administration, site inspection and environmental monitoring for road improvements and servicing infrastructure in the 2nd Concession corridor from Bristol Road in the Town of Newmarket, to Queensville Sideroad in the Town of East Gwillimbury. A location plan is appended to this report (see *Attachment 1*).

The Region's Purchasing Bylaw requires Council authorization to award a Request for Proposal over \$500,000 or when the recommended proponent is not the lowest cost. In this case, the recommended proponent has not submitted the lowest cost and their bid is greater than \$500,000.

3. BACKGROUND

Major road and water/wastewater servicing improvements to the 2nd Concession corridor are scheduled to start in 2014

In response to approved and planned growth in the Town of East Gwillimbury, an Environmental Assessment of the 2nd Concession corridor began in 2008 and was completed in 2012. The Environmental Assessment recommended widening 2nd Concession to four lanes between Green Lane and Doane Road, including bridges over the rail corridor and the Holland River, cycling facilities, and a context sensitive treatment for new retaining walls through the Rogers Reservoir. The project also includes a significant servicing component including a gravity sewer, sanitary forcemains and a watermain. The estimated construction cost for the combined transportation and water/wastewater servicing work exceeds \$100 million.

Construction of the major road and servicing improvements to the 2nd Concession corridor are scheduled to start in spring 2014.

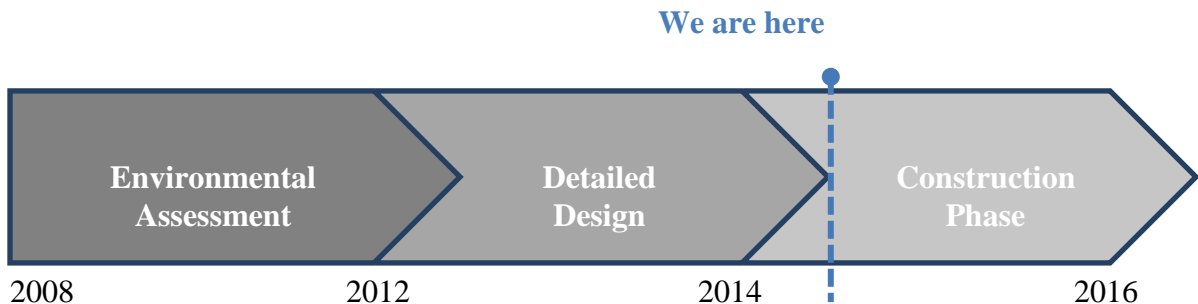
Contract administration, site inspection and environmental monitoring services are required to support Regional staff and to mitigate cost and schedule risks

The project has advanced to the tender phase where it is now necessary to prepare for construction activities, including on-site monitoring, processing of payment certificates, oversight of quality control and ensuring compliance with permits. Although the project will continue to be led by Regional staff from both Transportation and Community Planning and Environmental Services, the size and complexity of this construction project requires additional contract administration, site inspection and environmental monitoring resources to mitigate cost and schedule risks, and to ensure successful delivery.

Construction of the 2nd Concession improvements are being co-ordinated with the Highway 404 extension and other area infrastructure work

The widening and reconstruction of 2nd Concession and the associated servicing work requires a temporary closure of 2nd Concession between Green Lane and Queensville Sideroad for a period of 18 months. A detailed traffic management plan has been prepared and will be implemented in conjunction with the construction. To minimize delay for road users, the temporary closure will be co-ordinated with the planned opening of the Highway 404 extension in summer 2014.

The current status of the 2nd Concession project is shown below.



4. ANALYSIS AND OPTIONS

Proposals to provide the required contract administration, site inspection and environmental monitoring services were procured through an open call

The Region's process for procuring engineering services through an open call was followed, and included the following:

- Issue Request for Proposals
- Evaluate the proposals using a two-envelope system
- Combine technical and financial scores to achieve a total score
- Select the highest total score

The Supplies and Services Branch issued Request for Proposal (RFP) No. P-13-153, seeking contract administration, site inspection and environmental monitoring services for the 2nd Concession project. Four proposals were received.

The two-envelope system requires that the technical and financial proposals be submitted in two separate envelopes. The proposals were evaluated based on a weighting of 80 per cent for the technical component and 20 per cent for the financial component.

The proponents, their technical scores and proposed upset limit fees are presented in Table 1.

Table 1
Evaluation Summary

Firm	Technical Score (out of 80)	Upset Limit Fee (Excluding HST)	Financial Score (out of 20)	Total Score (out of 100)
MMM Group Limited	68.5	\$5,214,140	10.1	78.6
HCI Ontario Inc.	53.5	\$3,266,756	16.0	69.5
Noveen Engineering Inc.	49.5	\$2,640,909	20.0	69.5
Stantec Consulting Ltd.	51.2	\$4,351,500	12.1	63.3

The proposal from MMM Group Limited achieved the highest Total Score based on a strong technical submission

The proposal from MMM Group Limited achieved the highest Technical Score by nearly 20 percent compared to the second highest proposal, and by 25 percent compared to the proposal with the lowest price. It should be noted that the other three submissions only marginally passed the minimum technical score of 48. The proposal from MMM Group Limited also achieved the highest Total Score, after the financial component was included.

The proposal fee is consistent with project team estimates and industry standards for a construction project of this complexity and magnitude

Industry standards indicate that contract administration, site inspection and environmental monitoring services typically represent five to seven per cent of the construction value of a project. Accordingly, on a project of this complexity and scale, the project team estimated the value of the work for this proposal call to be within this range.

The fee in the MMM Group Limited proposal is largely a result of the high level of experience and expertise in the proposed inspection team required to address the complex variety of specialty engineering and construction disciplines across multiple road, bridge, water and wastewater project components. This experienced team will mitigate potential risks associated with the cost, schedule and regulatory compliance for this complex project.

The significantly lower staff rates included in the other submissions reflect a lack of understanding of the project complexity as well as less qualified project teams, as is reflected by their lower technical scores, which only marginally exceed the minimum acceptable score of 48 out of 80.

The proposal from MMM Group Limited demonstrated the most comprehensive understanding of key project issues and was the only submission to detail the complex tunnelling requirements of this project

The Technical proposal from MMM Group Limited scored significantly higher relative to the other proposals, illustrating a comprehensive understanding of key project issues. Specific areas of strength in the MMM Group Limited proposal include:

- Clearly demonstrated site inspection expertise for tunnelling activities. The MMM Group Limited submission was the only proposal to identify this expertise, which is critical to achieving a successful crossing of the Rogers Reservoir.
- Significant experience on all aspects of the 2nd Concession corridor improvement project. Over the last decade, MMM Group Limited has been involved in every aspect of the project to date, including the environmental assessment, the detailed design of roadworks, bridges, sanitary sewers and forcemains.
- A strong and experienced project team, which includes the project manager and other key staff that delivered the environmental assessment and detailed design work for the 2nd Concession corridor improvement.
- MMM Group Limited continues to provide similar services for the Region, including the Queensville Holland Landing Sharon Wastewater Servicing and Sharon Trunk Sewer projects, the North Don Sanitary Relief Sewer project, and several complex watermain repair projects.

The risk on this complex \$100 million project is mitigated with a highly qualified staff team

The demonstrated experience of the staff included in the MMM Group Limited proposal is commensurate with the daily billing rates provided in the financial component of the proposal. Given the size and complexity of this project, the scheduling challenges to meet servicing milestone requirements, as well as the large cost of the project, only very experienced field staff should be considered to manage the Region's interests on this project. All staff included in the MMM Group Limited proposal demonstrate a high degree of qualification and experience. Numerous team members in the other submissions did not pass minimum technical requirements, which is reflected in the low technical scores.

Link to key Council-approved plans

The 2nd Concession project aligns with the 2011 to 2015 Strategic Plan goal to “*continue to deliver and sustain critical infrastructure*”. This project provides the needed road, water and sanitary sewer infrastructure to support growth in the communities of Holland Landing, Queensville and Sharon.

5. FINANCIAL IMPLICATIONS

The upset limit fee for contract administration, site inspection and environmental monitoring services is \$5,214,140, excluding HST. As indicated above, industry standards indicate that construction inspection services typically cost five to seven per cent of construction value. The fee included in the recommended proposal is consistent with this standard and the staff estimate.

The estimated construction duration has been determined through the detailed design and is specified in the tender documents. Should the actual duration of construction increase as determined during the initial stages of construction start-up, it is recommended that the Commissioner of Transportation and Community Planning be authorized to adjust the fee accordingly by the competitive bid amount of up to \$12,960 per week, excluding HST, within the approved Capital Spending Authority.

This is a joint project between the Transportation and Community Planning and Environmental Services Departments, and the costs will be divided based on tasks apportioned to water/wastewater servicing versus transportation. The apportionment to the Roads Branch is estimated to be \$2,783,762. There is sufficient Capital Spending Authority in the 2014 Roads Capital Budget to cover the anticipated expenditures for this project in 2014 and 2015. Ninety per cent of this cost will be financed by debentures, which will be funded from development charges. The remaining ten per cent will be funded from tax levy.

The apportionment to the Environmental Services Department is estimated to be \$2,430,378. The services attributable to the water and sewer works are funded from development charges, the majority of which are secured from developer contributions through a prepaid development charge credit agreement.

6. LOCAL MUNICIPAL IMPACT

Road improvements to the 2nd Concession corridor, from Green Lane to Queensville Sideroad, will address existing transportation deficiencies including poor pavement conditions, as well as future capacity requirements in support of north-south commuters and local development in the communities of Holland Landing, Queensville and Sharon.

In addition to providing significant transportation benefits for northern York Region, this project also supports approved growth in the communities of Holland Landing, Queensville and Sharon in the Town of East Gwillimbury, by providing an efficient, secure and reliable water and wastewater system.

7. CONCLUSION

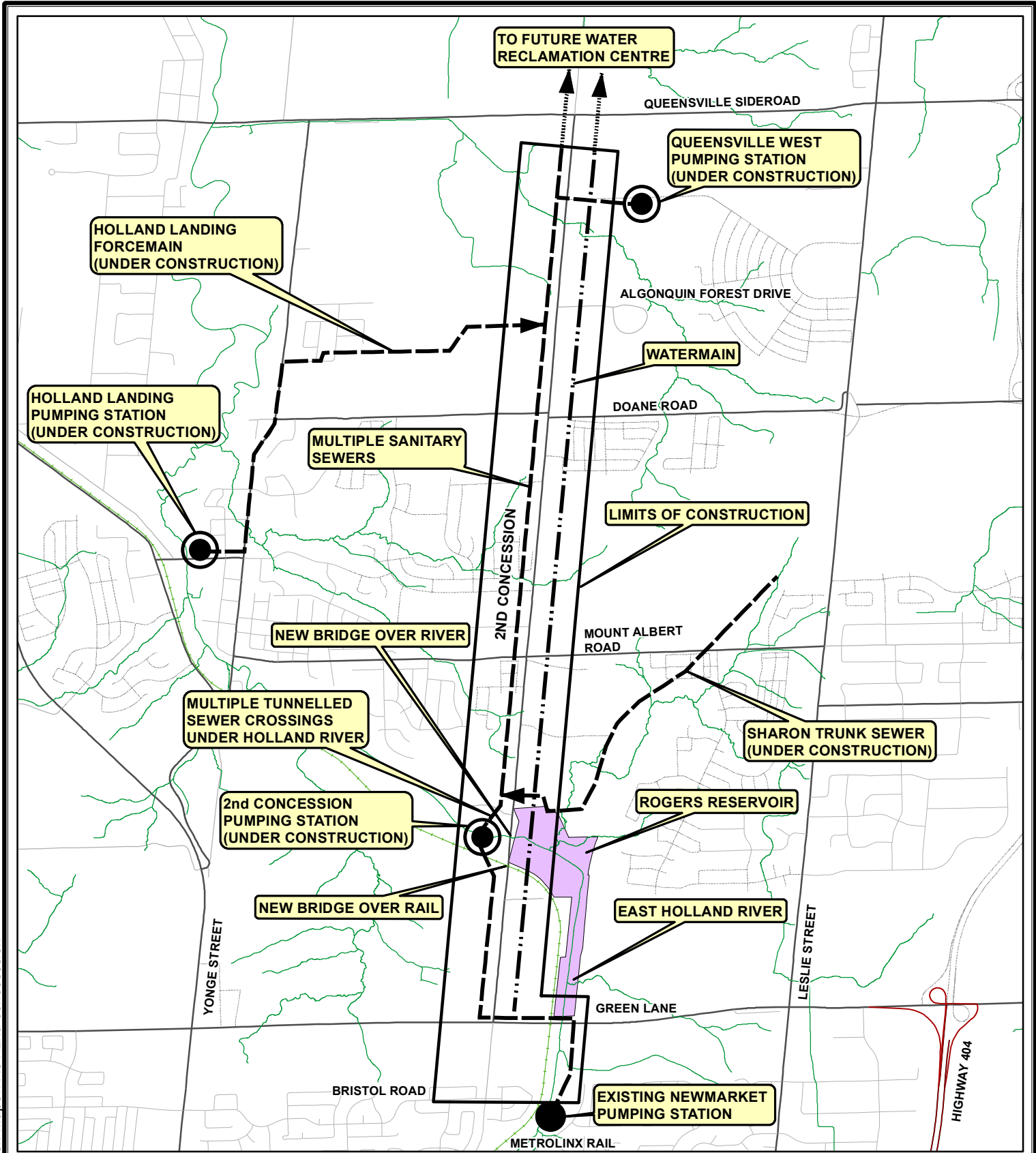
The widening and reconstruction of 2nd Concession, including watermain and sewers, addresses transportation and servicing needs associated with growth in the communities of Holland Landing, Queensville and Sharon. In order to successfully deliver this project, it is necessary to procure contract administration, site inspection and environmental monitoring services to support the complex construction activities.

The highest scoring proposal was determined following the process administered by the Supplies and Services Branch, which is consistent with the Purchasing Bylaw. The proposal represents good value to the Region. It is recommended that MMM Group Limited be engaged to undertake contract administration, site inspection, and environmental monitoring in support of the 2nd Concession widening and servicing infrastructure project from Bristol Road in the Town of Newmarket, to Queensville Sideroad in the Town of East Gwillimbury, as outlined in this report, at a fee of \$5,214,140, excluding HST.

For more information on this report, please contact Brian Titherington, Director, Roads at ext.75901, or Mike Rabeau, Director, Capital Planning and Delivery at ext. 75157.

The Senior Management Group has reviewed this report.

Attachment (1)



LOCATION PLAN
2nd CONCESSION from Bristol Road to Queensville Sideroad
Town of East Gwillimbury and Town of Newmarket

Produced By: Roads Branch - Capital Delivery
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