

Consolidated Clause in Works Committee Report 1, which was considered by City Council on January 31, February 1 and 2, 2006.

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**Morningside Avenue/Finch Avenue/CPR Grade
Separations Project - Status Report
(Ward 42, Scarborough-Rouge River)**

City Council on January 31, February 1 and 2, 2006, adopted this Clause without amendment.

The Works Committee recommends that City Council adopt staff recommendations (2) and (3) in the Recommendations Section of the report (December 23, 2005) from the Executive Director, Technical Services and the Treasurer, as follows:

- “(2) the City of Toronto enter into an agreement with the Canadian Pacific Railway Company with Terms and Conditions satisfactory to the Deputy City Manager and in a form satisfactory to the City Solicitor allowing the City’s contractor to perform work related to the Morningside Avenue/Finch Avenue/CPR Grade Separations Project on railway property; and
- (3) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.”

Action taken by the Committee:

The Works Committee awarded the contract as recommended in staff recommendation (1) in the Recommendations Section of the report (December 23, 2005) from the Executive Director, Technical Services and the Treasurer, and in accordance with Section 195.15 of the Toronto Municipal Code, Purchasing.

The Works Committee submits the report (December 23, 2005) from the Executive Director, Technical Services and the Treasurer.

Purpose:

The purpose of this report is to (i) provide a status update on the progress of the Morningside Avenue/Finch Avenue/CPR Grade Separations Project, (ii) advise on the results of the Tender issued for Finch Avenue/CPR Grade Separation Structural Steel Through Plate Girders in Scarborough District, in accordance with specifications as required by the Technical Services Division and request authority to award a contract to the recommended bidder, and (iii) request authority to enter into an agreement with the Canadian Pacific Railway Company allowing the City’s contractor to perform work on railway property.

Financial Implications and Impact Statement:

The total contract award identified in this report is \$1,892,081.00, including all applicable taxes and charges. The cost to the City net of GST is \$1,768,300.00. Funding is available in the 2006 Transportation Services Capital Budget. Funds in the amount of \$1,768,300.00 are available in Transportation Capital Account, CTP804-20. The engineering estimate for this contract is \$1,946,000.00, including all applicable taxes.

Recommendations:

It is recommended that:

- (1) Contract 05ED-24S, Tender Call 245-2005 for Finch Avenue/CPR Grade Separation Structural Steel Through Plate Girders, in Scarborough District, be awarded to Walters Inc., in the amount of \$1,892,081.00 including all taxes and charges, being the lowest bid received;
- (2) the City of Toronto enter into an agreement with the Canadian Pacific Railway Company with Terms and Conditions satisfactory to the Deputy City Manager and in a form satisfactory to the City Solicitor allowing the City's contractor to perform work related to the Morningside Avenue/Finch Avenue/CPR Grade Separations Project on railway property; and
- (3) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

Background:

Morningside Avenue is a major north-south arterial road extending from Lake Ontario to Finch Avenue. South of Old Finch Avenue, Morningside Avenue is four lanes wide. North of Old Finch Avenue, it narrows to two lanes before crossing under the Canadian Pacific Railway (CPR) Belleville Subdivision (mainline track). North of the CPR underpass, the road curves sharply to the west changing to an east-west orientation prior to crossing another CPR track (the cross-connection track) at grade. At this point, the road becomes Finch Avenue and widens to a four-lane urban arterial road on the approach to Neilson Road. Traffic safety and operational concerns in the vicinity of the Finch Avenue/Morningside Avenue/CPR grade separation have been identified due to the restricted width and low vertical clearance of the existing Morningside Avenue/CPR grade separation structure and the tight curvature of the roadway alignment immediately to the north of the structure.

In February 1999, the Ontario Municipal Board approved Official Plan amendments that permitted the development of a new 2,500 to 2,700 unit residential community in the area, and the extension of Morningside Avenue north of Finch Avenue. In April 2000, a Class Environmental Assessment (EA) for the Finch Avenue/Morningside Avenue/CPR improvements commenced and at its meeting on February 13, 14, and 15, 2002, City Council adopted Clause No. 13, Report No. 2 of the Works Committee, recommending that the Environmental Study Report (ESR) be filed in accordance with the Municipal Class Environmental Assessment

process. EA approval was subsequently granted. The ESR recommended that the existing Morningside/CPR grade separation be reconstructed, the Finch/CPR at-grade crossing be grade separated and that Morningside Avenue and Finch Avenue be widened on either sides of the new structures.

Bid Committee at its meeting held on March 30, 2005, awarded a contract to McCormick Rankin Corporation (MRC) to provide engineering services as outlined in their technical proposal for the reconstruction of the Morningside/CPR Grade separation, construction of a Finch/CPR grade separation and related road construction for an estimated cost not to exceed \$1,151,538.05 including all taxes and charges. Contract No. 47010396 was issued to McCormick Rankin Corporation accordingly.

The Purchasing and Materials Management Division, at its Public Opening held on December 5, 2005, opened the following bids for Contract 05ED-24S, Tender Call 245-2005, for Finch Avenue/CPR Grade Separation Structural Steel Through Plate Girders In Scarborough District:

<u>Tenderer</u>	<u>Price Complete Including All Taxes and Charges</u>
Walters Inc.	\$1,892,081.00*
1510610 Ontario Inc.	\$2,566,481.41*
O/A Central Welding & Iron Works	

*Tender Price corrected for mathematical errors. Purchasing and Material Management has verified that the mathematical errors were corrected.

Comments:

(A) Status Report - Morningside Avenue/ Finch Avenue Grade Separations Project:

Transportation Services Capital Works Project No. TRN906383, Morningside Avenue/Finch Avenue Grade Separations, involves constructing a new grade separation at the Finch Avenue/CPR crossing, reconstructing the existing Morningside Avenue/CPR grade separation and reconstructing a portion of Finch Avenue and Morningside Avenue. The total cost for this project is estimated at \$20,800,000.00. The current schedule calls for the construction of the Finch/CPR grade separation in 2006 and the Morningside/CPR grade separation in 2007. The construction method requires that both grade separations be built under live rail traffic conditions. This means that the work is broken into sections and completed during CPR allotted time periods when there will be no train traffic. The only time period of sufficient duration to place the new girders is the Labour Day weekend.

Steel bridge girders require an eight-month order period to fabricate the material. In order to have girders ready for the 2006 Labour Day weekend, Contract 05ED-24S, for the fabrication and delivery of the temporary steel girders and permanent steel girders for the Finch Avenue/CPR grade separation was tendered ahead of the main construction contract.

Contract 06SC-02RD, the main construction contract for the remaining grade separation and roadway components has an estimated dollar value of \$16,850,000.00. The authority of standing committee or Council is required to make an award of this value. In order to maintain the 2006 Labour Day project milestone and minimize the project risks, the latest date the contract could be awarded is late-March 2006 which would require that a tender call be issued no later than mid-February 2006.

Due to the size and complexity of the project, the following issues may put this schedule at risk:

- (1) The award of Contract No. 47010396 to McCormick Rankin Corporation was delayed by two months due to insufficient prior authorization funds available in the project budget prior to the 2005 capital budget approval in March 2005. The design schedule for this project was condensed by two months in an attempt to start construction in the 2006 season. The current design schedule does not provide for the length of review time for project staff and the client divisions that we would normally require for a project of this scale and complexity.
- (2) An executed agreement with the Canadian Pacific Railway Company is required before City contractors are permitted to work on rail property. In order to maintain the 2006 Labour Day project milestone, staff are recommending that the appropriate City officials be authorized to enter into an agreement with the CPR at this time and that the agreement be executed before April 2006.
- (3) There is a requirement for additional road right-of-way along the realigned Finch Avenue. Property is required from two owners (i.e., Mattamy and Rajarathnam). Additional shoring and a slower method of construction, at an additional cost of approximately \$350,000.00, would be required if the properties were not obtained by May 1, 2006. An additional cost of \$200,000.00 would be incurred to build a temporary road detour if the Mattamy property was not obtained in time. The slower construction methods would also increase the risk of not meeting the Labour Day schedule.
- (4) There is a Toronto Hydro power distribution line on the north side of Finch Avenue that must be relocated to allow for the widening of Finch Avenue as well as the change in grade of the road as it goes under the rail line. Bell Canada and Rogers Cable also have their communications infrastructure located on the Toronto Hydro pole line. There would be delay claims from the contractor if this pole line was not relocated in time for the grading operations.

Any of the issues listed above could delay the project and prevent the contractor from being ready for the installation of the main girders on the 2006 Labour Day weekend. Due to these concerns, a decision to proceed with Contract 06SC-02RD according to the current project schedule must be made prior to February 15, 2006. If it is determined that the original schedule cannot be achieved, the construction of the Finch/CPR grade separation must be rescheduled for the 2007 Labour Day weekend and the Morningside/CPR grade separation for the 2008 Labour Day weekend.

(B) Award of Contract 05ED-24S:

Although there are several concerns, as identified above, related to the tendering and award of Contract 06SC-02RD, staff are recommending that Contract 05ED-24S be awarded in order to maintain the opportunity to proceed with the Finch/CPR grade separation in 2006 and to ensure that the City receives a reasonable price (i.e., less than the engineer's estimate). The price of the steel girders could increase if this material is included in the main contract and retendered.

If Contract 06SC-02RD does not proceed according to the current schedule, the steel girders from Contract 05ED-24S must be stored for one year. The Morningside yard has been suggested as a potential storage location. There would also be an additional cost to transport the girders from the yard to the construction site.

The Tender documentation submitted by the recommended bidder has been reviewed by the Executive Director, Technical Services and was found to be in conformance with the Tender requirements.

Technical Services staff have compared the bids to the estimated cost and found the price of the recommended bidder to be reasonable and within the budget available.

The Fair Wage Office has reported that the recommended firm has indicated that it has reviewed and understands the Fair Wage Policy and Labour Trades requirements and has agreed to comply fully.

Conclusion:

This report provides a status update on the progress of the Morningside Avenue/Finch Avenue/CPR Grade Separations Project as a whole and requests authority to award a contract for Finch Avenue/CPR Grade Separation Structural Steel through Plate Girders, in Scarborough District, in accordance with specifications, to Walters Inc. being the lowest bid received.

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