



STAFF REPORT ACTION REQUIRED

Contract Award for Tender Call No. 262-2016, Reconfiguration of Six Points Interchange Phase 2

Date:	November 7, 2016
To:	Public Works and Infrastructure Committee
From:	Executive Director, Engineering & Construction Services Director, Purchasing and Materials Management Division
Wards:	Ward 5 (Etobicoke-Lakeshore)
Reference Number:	P:\2016\Cluster B\TEC\PW16003 (AFS # 22381)

SUMMARY

The purpose of this report is to seek authority to award Tender Call No. 262-2016, Contract No. 16ECS-TI-01SP, for the Reconfiguration of Six Points Interchange Phase 2 located at the intersection of Dundas Street West, Bloor Street West, and Kipling Avenue to Fermar Paving Limited in the amount of \$51,660,149 net of HST and all applicable charges (\$52,569,367 net of HST recoveries).

The Scope of Work for the Reconfiguration of Six Points Interchange Phase 2 consists of removal of the existing interchange, road reconstruction, utility reconstruction, underground municipal reconstruction, road resurfacing, boulevard and streetscaping, street lighting, traffic signal, bridge removal, retaining wall and site grading work.

This report also requests authority to commit cash flows in the Transportation Services approved 2016-2025 Capital Budget and Plan, totalling \$23,283,000 net of HST recoveries, to affect the contract award. This request will have no net impact on the Transportation Services approved 2016-2025 Capital Budget and Plan.

RECOMMENDATIONS

The Executive Director of Engineering & Construction Services and the Director of Purchasing and Materials Management recommend that:

1. City Council grant authority to award Tender Call No. 262-2016, Contract No. 16ECS-TI-01SP, "Reconfiguration of Six Points Interchange Phase II (Master Contract)" to Fermar Paving Limited in the amount of \$51,660,149 net of HST and all applicable charges (\$52,569,367 net of HST recoveries) having submitted the lowest compliant bid and meeting the specifications in conformance with the tender requirements.
2. City Council approve cash flow commitments of \$2,502,000 in 2017; \$10,281,000 in 2018; and \$10,500,000 in 2019 (all net of HST recoveries) in the Transportation Services approved 2016-2025 Capital Budget and Plan (Six Points Interchange Redevelopment CTP811-35).

Financial Impact

The total amount of the award for Tender Call No. 262-2016, Contract No. 16ECS-TI-01SP, "Reconfiguration of Six Points Interchange Phase 2" is \$51,660,149 net of HST and all applicable charges (\$52,569,367 net of HST recoveries), and \$58,375,968 including HST. The engineering estimate for this contract was \$72,780,918 including HST (\$65,541,471 net of HST recoveries).

In order to affect the contract award, a capital budget totalling \$51,660,149 net of HST and all applicable charges (\$52,569,367 net of HST recoveries) is required for the period of 2017 to 2020. Therefore, Council approval is being requested for cash flow commitments totalling \$23,283,000 net of HST recoveries, for the Six Points Interchange Redevelopment project (CTP811-35). This will have no net impact on the Transportation Services approved 2017-2025 Capital Budget and Plan.

Table 1 - Transportation Services Forecasted Capital Budget for Reconfiguration of Six Points Interchange Phase 2 under Contract 16ECS-TI-01SP (Net of HST Recoveries):

Account Code	Description	2017	2018	2019	2020	Total
Transportation Services (Non – Recoverable) CTP811-35-08	16ECS-TI-01SP Six Points Phase 2 (Master Contract)	\$13,808,589	\$17,348,086	\$11,863,602	\$4,494,403	\$47,514,681
Transportation Services (Recoverable) CTP817-01-02	16ECS-TI-01SP Six Points Phase 2 (Master Contract)	\$1,302,333	\$1,595,225	\$1,105,746	\$414,379	\$4,417,683
EDCT/BIA	16ECS-TI-01SP Six Points Phase 2 (Master Contract)	\$35,321	\$43,265	\$29,989	\$11,239	\$119,815
District Energy WSB# CCA 705-04	16ECS-TI-01SP Six Points Phase 2 (Master Contract)	\$356,160	\$0	\$161,029	\$0	\$517,189
Total		\$15,502,403	\$18,986,576	\$13,160,367	\$4,920,021	\$52,569,368

The Deputy City Manager & Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

At its meeting of December 11, 12, and 13, 2007, City Council adopted the Six Points Interchange Reconfiguration Class Environmental Assessment Study, and requested a funding and staging strategy for implementing the reconfiguration, to include detailed design after completion and approval of the Environmental Study Report which was completed in accordance with the requirements of the Province of Ontario's *Environmental Assessment Act*. The Council decision can be found at pages 104 and 105 of: <http://www.toronto.ca/legdocs/mmis/2007/cc/decisions/2007-12-11-cc15-dd.pdf>

On February 20, 2013, by authority of Bid Committee, Purchase Order No. 6037464 was issued to HDR Corporation based on their response to RFP 9117-12-7040 for the Provision of Contracted Professional Services for the Pre-Design, Detailed Design, and Preparation of Drawings and Tender Documents for the Reconfiguration of the Six Points Interchange. The Bid Committee Report can be found at: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.BD112.1>

At its meeting of January 29 and 30, 2014, City Council adopted the 2014 Capital Budget and 2015 – 2023 Capital Plan, including multi-year cash flows for the Six Points Interchange Reconfiguration project. The Council decision can be found at: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2014.EX37.1>

On September 17, 2014, by authority of Bid Committee, a Purchase Order was awarded on Tender Call 237-2014, Contract No. 14EY-18RD, to Drainstar Contracting Ltd. for the Phase 1 scope of work that included site clearing, road embankment construction to subgrade level, sanitary sewer and services for the new alignment of Dundas Street West from Kipling Avenue to Bloor Street West. The Bid Committee Report can be found at: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2014.BD199.4>

On June 17, 2015, by authority of the Public Works and Infrastructure Committee, an amendment was approved to Purchase Order No. 6037464 with HDR Corporation for the provision of Contracted Professional Services for the pre-design, detailed design and preparation of tender documents for the reconfiguration of the Six Points Interchange by an additional amount of \$849,792.00, net of all taxes and charges, and to extend the term of the Purchase Order to December 31, 2015. The additional funds and time were required in order to complete additional engineering design activities for the Six Points Interchange Reconfiguration and for contract administration and site supervision for the construction of Phase 1 of the Six Points Interchange Reconfiguration, which were not included in the original scope of work under Purchase Order No. 6037464. The Public Works and Infrastructure Committee Report can be found at: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.PW6.6>

At its meeting of February 3, 2016, City Council authorized the Executive Director, Engineering & Construction Services to negotiate and enter into any required agreements with affected utility companies, to undertake the expansion and relocation of utilities required for the Six Points Interchange Reconfiguration Project. The Council decision can be found at: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.PW10.2>

At its meeting of February 17, 2016, City Council adopted the Transportation Services 2016 Capital Budget and 2017 – 2025 Capital Plan, including multi-year cash flows for the Six Points Interchange Reconfiguration project. The Council decision can be found at: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.EX12.2>

ISSUE BACKGROUND

The Six Points Interchange is located at the intersection of Dundas Street West, Bloor Street West and Kipling Avenue, near the Kipling Subway/GO Train stations. Attachment 1, at the end of this report, shows an aerial view of the original interchange.

In the 1980's, the former City of Etobicoke chose the Six Points area (Dundas Street West/Kipling Avenue/Bloor Street West) for the location of its new civic centre. The new civic centre was never built and the lands were identified as a potential future mixed-use residential/commercial development node.

In 2003, the Six Points Interchange Reconfiguration Class Environmental Assessment Study was initiated. The Class Environmental Assessment examined various scenarios for the existing road configuration to support the development of Etobicoke Centre and the objectives of the Etobicoke Centre Secondary Plan. The study concluded in 2008 and identified a preferred reconfiguration for the interchange that was based on the removal of existing bridges and the construction of standard intersections between Kipling Avenue, Bloor Street West and Dundas Street West.

To finalize the streetscaping and open space plan details, the City undertook an urban design study between 2009 and 2011. This study included detailed streetscape designs for the new roads in accordance with the Six Points Interchange Reconfiguration Environmental Assessment. Cross sections for the streetscape designs finalized in this study included public realm details such as pedestrian clear zones within boulevards to ensure compliance with AODA (Accessibility for Ontarians with Disabilities Act) requirements, market zones with areas designated for cafés, stands, and private signs, and tree planting zones to accommodate trees, shrubbery, planters and the like.

Transformation of the interchange includes the future rebuilding of the Kipling Subway/GO Transit stations. The existing bridges and ramps of the old road interchange, which were constructed in the 1950s, will be removed and replaced with three major at-grade intersections at:

1. Dundas Street West & Bloor Street West;
2. Dundas Street West & Kipling Avenue; and,
3. Bloor Street West & Kipling Avenue.

As shown in the proposed realignment of the Six Points Interchange illustrated in Attachment 2, Dundas Street West will be re-constructed east of Kipling Avenue through the former Westwood Theatre lands to meet Bloor Street West, and Bloor Street West will be re-constructed east of Kipling Avenue to re-establish connectivity. The reconfiguration will result in surplus City lands, which will be parcelled for re-development and transferred to Build Toronto for future development.

Construction of the Six Points Interchange Reconfiguration is being delivered in two phases:

- **Phase 1** construction of the Six Points Interchange Reconfiguration project, Tender Call No. 237-2014, Contract No. 14EY-18RD, began in October 2014 and reached substantial completion on October 7, 2015. The scope of work included site clearing, road embankment, and sanitary sewer for the new alignment of Dundas Street West from Kipling Avenue to Bloor Street West. Attachment 3 shows the completed section of the project.

- **Phase 2**, which is the subject of this report, construction of the Six Points Interchange Reconfiguration project. The scope of work that will be included in the Phase 2 Contract includes removal of the existing interchange including the demolition of existing bridge structures, road resurfacing, and reconstruction, utility reconstruction, underground infrastructure reconstruction, boulevard and streetscaping, installation of street lighting and traffic signals, and site grading. Phase 2 construction will take place over a four year period and it is expected to be completed by 2020. Construction will be staged so that construction-related restrictions are minimized to ensure that road access is provided to the public throughout the construction period. Attachments 4, 5 and 6 shows the proposed construction stages of the Phase 2 Contract.

A major component of the Six Points Interchange Reconfiguration project is coordinating utility relocation requirements.

The existing road network contains utility infrastructure in various forms (overhead and underground) owned by the following utilities:

- Toronto Hydro
- Enbridge Gas;
- Bell Canada;
- Rogers;
- Cogeco Data Services; and,
- Telus Canada.

The utility infrastructure construction work will include:

- Relocation of the existing utilities to the new proposed Right-of-Way;
- Installation of new services to the proposed developments; and,
- Upgrading the utility infrastructure to an underground system, where possible.

To be most efficient, the majority of the utility work is included in the Phase 2 Contract due to grading issues and construction staging requirements that would otherwise require multiple take down and set up of workers and equipment, resulting in a much longer construction schedule.

Due to the complexity of this large infrastructure project, which includes the coordination and construction of utility infrastructure, the City sought to pre-qualify contractors to ensure that all contractors bidding the work had the resources, capability, and specific experience required to complete the work to City standards and specifications.

The pre-qualification of General Contractors and/or Subcontractors for the Reconfiguration of Six Points Interchange Phase 2 Contract, Request to Prequalify No. 3907-16-5029 was issued on March 2, 2016 closed on March 29, 2016. A total of 38 submissions were received, comprised of nine (9) firms for the General Contractor Category and 29 firms for the various Subcontractor Categories. The submissions were

reviewed by City staff from Engineering & Construction Services and Purchasing and Materials Management (PMMD). A recommendation was issued to all RTP Respondents on June 14, 2016 advising that seven (7) firms for General Contractor Category and 21 firms for the Subcontractor Categories had pre-qualified.

COMMENTS

Tender Call No. 262-2016, Contract No. 16ECS-TI-01SP was tendered to the Pre-qualified General Contractors/Subcontractors on July 20, 2016 and closed on September 28, 2016 with a plan to start construction in the Spring of 2017.

PMMD, at its public opening held on September 28, 2016, opened the following bids:

Bidder	Bid price (including HST)
Fermar Paving Limited	\$58,375,969
Pave-Al Limited	\$62,668,493*
COCO Paving Inc.	\$64,133,238*
Grascan Construction Ltd.	\$67,235,000
CRH Canada Group Inc. C.O.B. as Dufferin Construction Company	\$74,541,353

**Tender Price corrected for mathematical errors. PMMD has verified that the mathematical errors were corrected.*

The bid submitted by the recommended bidder for Tender Call No. 262-2016, Contract No. 16ECS-TI-01SP, was reviewed and evaluated by Engineering & Construction Services and was found to be in conformance with the Tender requirements.

In accordance with the terms of Tender Call No. 262-2016, Fermar Paving Limited is recommended for the award of Tender Call No. 262-2016, Contract No. 16ECS-TI-01SP.

Engineering & Construction Services staff found the price of the recommended bidder of \$58,375,969 including HST and all applicable charges to be 19.8% lower than the pre-tender engineering estimate of \$72,780,919 including HST and all applicable charges.

The Fair Wage Office has reported that the recommended bidder has indicated they have reviewed and understand the Fair Wage Policy and Labour Trades requirements and the recommended bidder has agreed to comply fully.

A Pre-Construction Notice will be issued to the public, councillors and local Business Improvement Areas (BIAs) by the end of December 2016, advising road users to expect delays and increased traffic. The Pre-Construction Notice will explain traffic management in the area during construction, which will include signs and temporary traffic signal times. As with all other Engineering & Construction Services projects,

shortly before construction begins, a notice of construction will be communicated to the local councillor(s) and local communities confirming details of the project, including traffic and travel disruption mitigation measures.

Cash Flow Commitments

This report requests authority to commit cash flows in the Transportation Services approved 2017-2025 Capital Budget and Plan, totalling \$23,283,000 net of HST recoveries to affect the contract award. This request will have no net impact on the Transportation Services approved 2017-2025 Capital Budget and Plan.

The City of Toronto Act, at sub-section 212 (1), states that, "the City shall adopt and maintain policies with respect to...the financing of capital works, including the limits on the annual costs associated with the financing." According to the Toronto Municipal Code, at sub-section 71-2, Council has the sole authority for approving funding to operating programs and capital projects. Accordingly, this report requests Council's authority to increase 2017-2020 cash flow commitments totalling \$23,283,000 comprising of cash flow commitments for Transportation Services projects.

This report was prepared in consultation with staff from Transportation Services.

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SIGNATURES

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ATTACHMENTS

Attachment 1: Aerial View of the Existing Six Points Interchange

Attachment 2: Future Street Network


Attachment 3: Phase 1 (Initial Works)

Attachment 4: Future Construction Stages, Stage 1 (Phase 2 Contract)

Attachment 5: Future Construction Stages, Stage 2 (Phase 2 Contract)

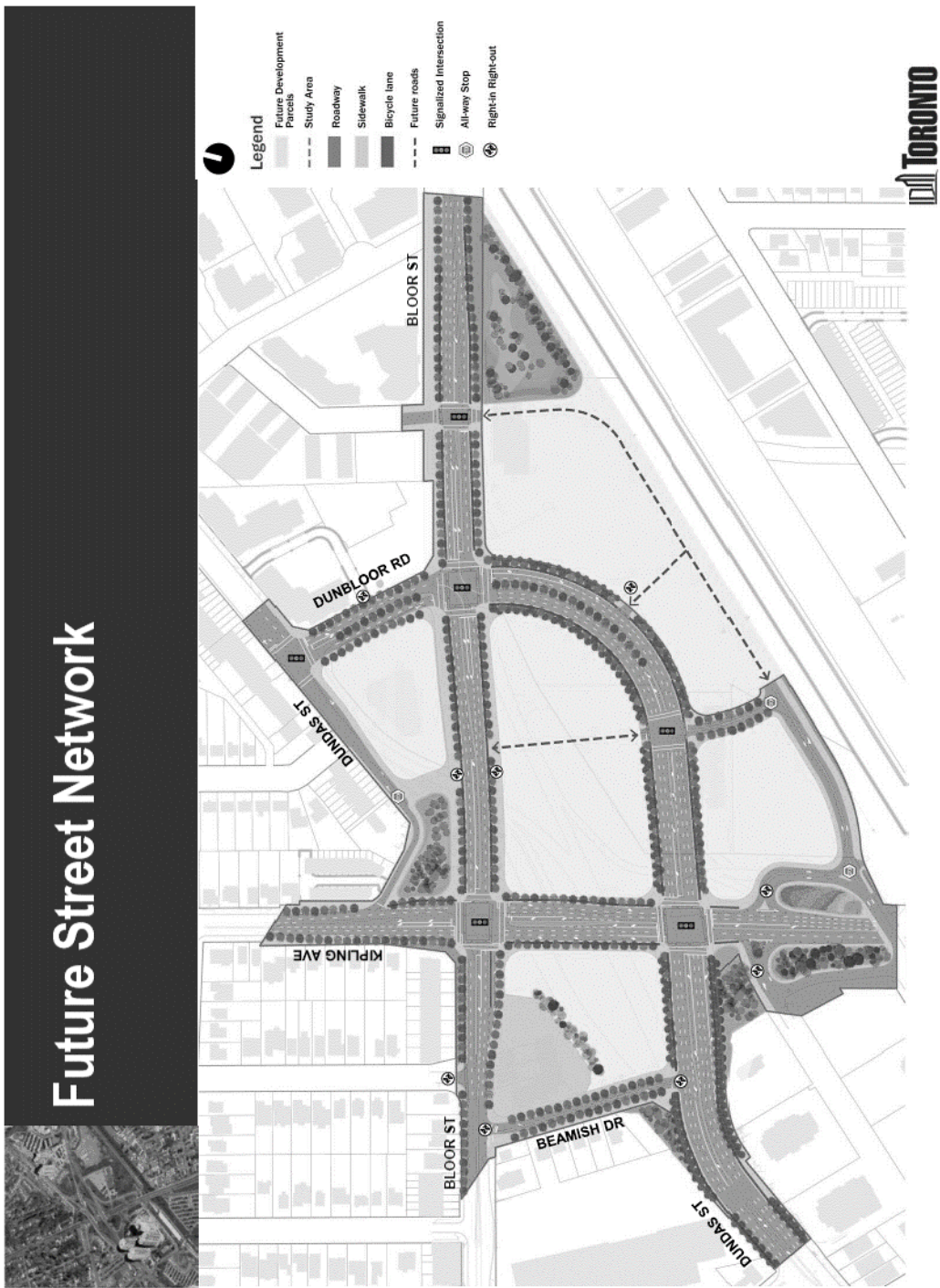
Attachment 6: Future Construction Stages, Stage 3 (Master Contract)

Attachment 1 – Aerial View of the Existing Six Points Interchange



Existing Configuration

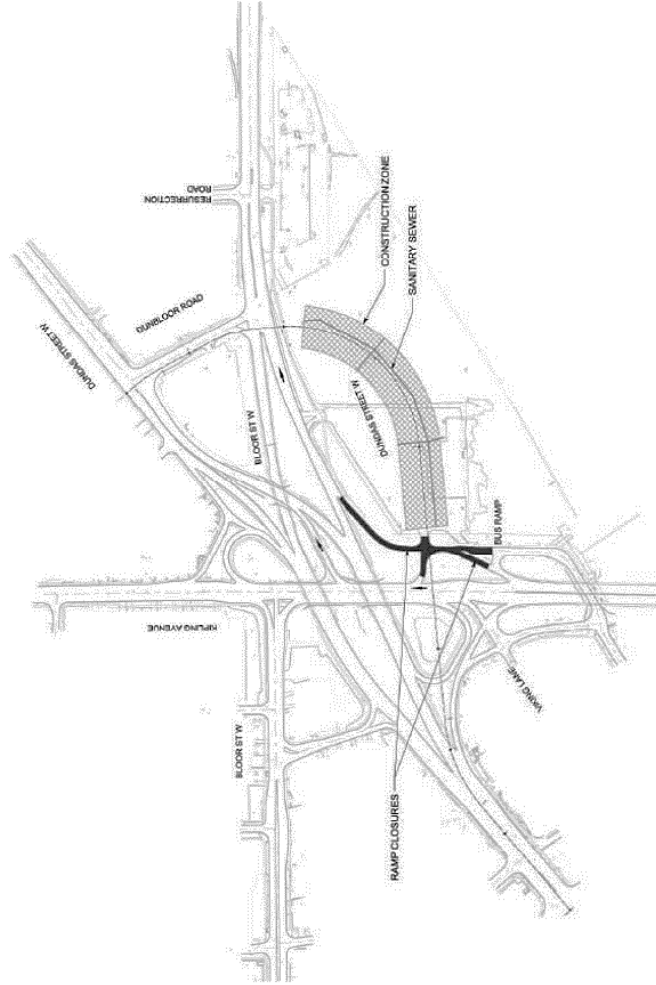






Initial Works – Fall 2014

- Advanced grading and the installation of sanitary sewer along the Dundas Street Realignment
- Closure and removal of existing Kipling NB to Bloor EB Ramp and NB Bus Loop to Kipling NB and Bloor EB Ramps (Deferred to Phase 2)





Future Construction Stages

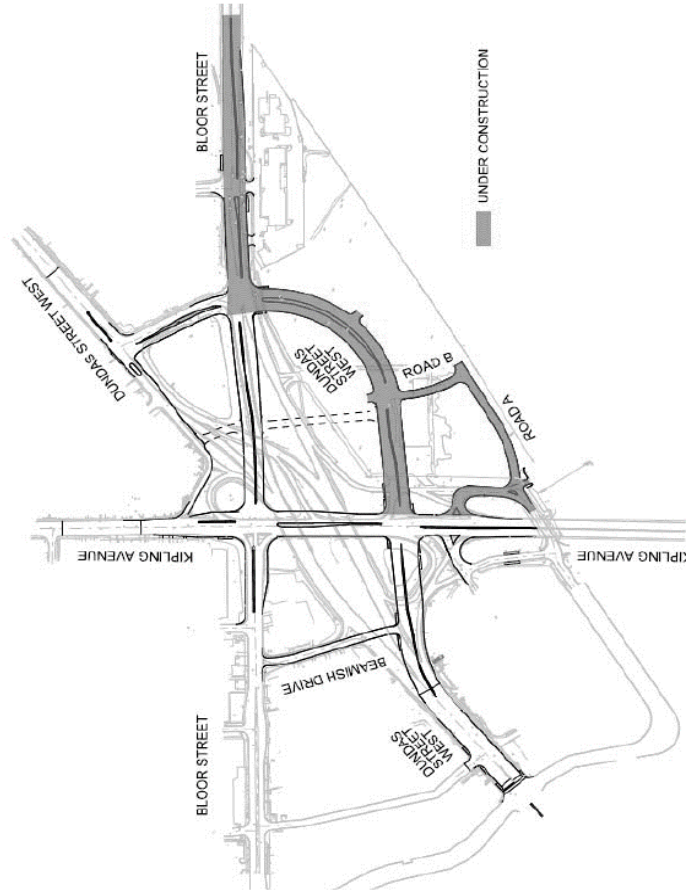
Stage 1

Build:

- Dundas Street (East of Kipling)
- Road A
- Road B

Reconstruct:

- Bus Loop Ramp
- Bloor Street (East of Dunbloor)





Future Construction Stages

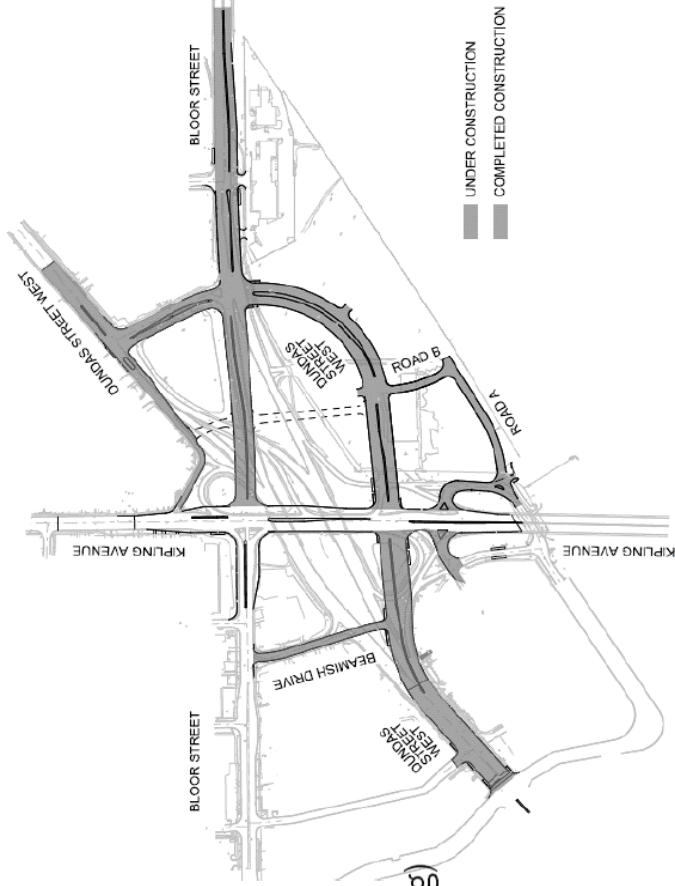
Stage 2

Build:

- Dundas Street (West of Kipling)

Reconstruct :

- Viking Lane
- Beamish Road
- Bloor Street (Dunbloor to Kipling)
- Dundas Street (East of Dunbloor)
- Dundas to Kipling Ramp





Future Construction Stages

Stage 3
Reconstruct:
■ Kipling Avenue

