

Award of Request for Tender Ariba Document Number 3846791801 to Grascan Construction Limited for the Port Union Road Widening from Island Road to Lawrence Avenue East

Date: May 15, 2023

To: General Government Committee

From: Interim Chief Engineer and Executive Director, Engineering and Construction Services and the Chief Procurement Officer, Purchasing and Materials Management

Ward: 25 – Scarborough-Rouge Park

SUMMARY

This report provides the results of the Request for Tender Ariba Document Number 3846791801, Contract Number 22ECS-TI-22SP, for the Port Union Road Widening from Island Road to Lawrence Avenue East and to request authority to award the contract to Grascan Construction Limited, in the amount of \$29,939,012 net of all applicable taxes and charges (\$30,465,939 net of Harmonized Sales Tax recoveries).

The construction for this project is expected to commence in summer 2023 and be completed by fall 2024 and includes the addition of a second northbound lane (to make the road two lanes in each direction), continuous sidewalks, separated bicycle lanes, raised crosswalks and other road safety features.

RECOMMENDATIONS

The Interim Chief Engineer and Executive Director, Engineering and Construction Services and the Chief Procurement Officer, Purchasing and Materials Management recommend that:

1. General Government Committee, in accordance with Section 195-8.4A of the Toronto Municipal Code Chapter 195 (Purchasing By-Law), grant authority to award Ariba Document Number 3846791801, Contract Number 22ECS-TI-22SP, for Port Union Road Widening from Island Road to Lawrence Avenue East and to request authority to award the contract to Grascan Construction Limited, in the amount of

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\$29,939,012 net of all applicable taxes and charges (\$30,465,939 net of Harmonized Sales Tax recoveries), having submitted the lowest compliant bid and meeting the specifications in conformance with the Tender requirements.

FINANCIAL IMPACT

The total contract award is \$33,831,084 including all taxes and charges. The total cost to the City is \$30,465,939 net of Harmonized Sales Tax recoveries.

Funding is available in the 2023 Approved Capital Budget and the 2024-2032 Approved Capital Plan for Toronto Water and Transportation Services. Funding details are provided in Table 1 below:

Table 1: Projected Cash Flow for Contract Number 22ECS-TI-22SP

WBS Element/Cost Element	SAP Description	Total (Net of Harmonized Sales Tax Recoveries)	Category
CTP815-25-09	Port Union Road (Lawrence Avenue - Kingston Road)	\$20,600,000.00	Growth
CTP315-06-526	Major Roads Rehabilitation	\$9,586,099	State of Good Repair
CPW544-23-24	Construction Cost – Water Service Replacement	\$279,840	Legislated
Totals		\$30,465,939	

To ensure that construction work is not delayed, a portion of the funded works will temporarily be accommodated within the Major Roads Rehabilitation program budget (CTP 315-06) with no impact to the capital delivery of this program. A budget adjustment will be requested in a subsequent capital variance report to reflect the budget need of this contract in the Port Union Road Widening project; after which contract amendments will be requested to align the funding obligations to the appropriate capital account.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial impact information.

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DECISION HISTORY

At its meeting held on June 10, 11, 12 and 13, 2014, City Council authorized the General Manager, Transportation Services, to issue a Notice of Completion and to file the Addendum to the Port Union Road Environmental Assessment Study (2004) in the public record for a minimum 30 days in accordance with the requirements of the Municipal Class Environmental Assessment." A copy of the Council decision PW31.10 titled "Port Union Road - Environmental Assessment Addendum" can be found at: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2014.PW31.10>

At its meeting held on December 21, 2016, the Bid Committee adopted Staff Report BD115.5 titled "Award of Request for Proposal Number 9117-16-5042 to Candevcon Limited for Professional Engineering Services to Complete Preliminary and Detailed Design Services and Contract Administration for Port Union Road Widening and Improvements between Lawrence Avenue East and Island Road" granting authority to award the contract to Candevcon Limited in accordance with the contract details set out in the report from the Director, Purchasing and Materials Management. A copy of the Bid Committee report can be found at: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.BD115.5>

COMMENTS

Background

The widening of Port Union Road between Island Road and Lawrence Avenue East is being carried out as part of the 2023 capital program. Port Union Road is a minor arterial road with connections to Highway 401 and Highway 2A/Kingston Road and is frequently used by commuters accessing the Rouge Hill GO Station. It currently has two southbound lanes and one northbound lane. Certain sections of the roadway are missing sidewalks and currently there is no cycling infrastructure. The section of Port Union Road being completed as part of this project is approximately two (2) kilometers in length.

In 2004, Transportation Services completed a Municipal Class Environmental Assessment Study to review options for an additional northbound travel lane and provisions for continuous cycling lanes and sidewalks along Port Union Road. In 2014 Transportation Services completed an Environmental Assessment Addendum, with updated traffic analysis, additional public meetings, and a revised conceptual design to minimize impacts to properties. The recommended option consists of two northbound and two southbound travel lanes on Port Union Road from Lawrence Avenue East to Island Road, continuous on-road painted bicycle lanes in both directions, continuous sidewalks on both sides, and provision for left-turn lanes where warranted.

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In December 2016, the City retained Candevcon Limited through a Request for Proposal (Request for Proposal Number 9117-16-5042) for professional engineering services related to preliminary and detailed design, contract administration and post construction services for the Port Union Road widening.

In May 2021, following the public consultation, the design was modified, to include separation of cycling lanes, raised to boulevard-height, as well as other road safety improvements to reflect enhanced road safety standards.

These elements were included in the final detailed design and the scope of work associated with this contract includes:

- The widening of Port Union Road to provide an additional northbound lane.
- Continuous sidewalks and separated bicycle lanes (raised to boulevard height where feasible) in each direction on Port Union Road, as well as other enhanced road safety improvements such as raised crosswalks.
- Any associated electrical design related to Toronto Hydro relocation, streetlights and traffic signals.
- Addressing and obtaining permits associated for extension of the road culvert at Adams Creek with agencies.

The construction for this work is expected to commence in summer 2023 and be completed by fall 2024.

Procurement Process

Request for Tender, Ariba Document Number 3846791801 was issued to select the lowest qualified Supplier meeting specification and requirements of the solicitation for the Port Union Road Widening from Island Road to Lawrence Avenue East.

The Request for Tender, Ariba Document Number 3846791801, Contract Number 22ECS-TI-22SP was issued by Purchasing and Materials Management Division and was advertised on both the City's and Ariba Discovery websites on March 8, 2023, with a closing date of April 13, 2023, and an issuance of eight (8) Addenda. A total of seven (7) Suppliers submitted their fixed priced bid as listed in Table 2 below.

Table 2: Suppliers and Bid Prices for Request for Tender, Ariba Document Number 3846791801, Contract Number 22ECS-TI-22SP

Suppliers	Bid Price Excluding Harmonized Sales Tax and Contingency*
Brennan Paving & Construction Limited**	\$24,274,046.53**

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Suppliers	Bid Price Excluding Harmonized Sales Tax and Contingency*
Grascan Construction Limited	\$25,000,000.00
Four Seasons Site Development Limited	\$25,690,874.00
CRH Canada Group Incorporated C.O.B. as Dufferin Construction Company	\$31,974,581.80
Aqua Tech Solutions Incorporated	\$36,457,709.76
Sanscon Construction Limited	\$39,744,206.00
Frontier Group of Companies Incorporated	\$49,194,002.80

*Pursuant to the Request for Tender document the contract award value includes contingency.

** Supplier was found non-complaint with mandatory requirements.

The submissions received from the seven (7) Suppliers that responded to Ariba Tender Document Number 3846791801, were reviewed, and evaluated by staff from Purchasing and Materials Management Division and Engineering and Construction Services. Six (6) of the seven (7) were found to be in conformance with the Tender requirements.

Engineering and Construction Services staff compared the bids to the engineering estimate of \$21,982,563 net of Harmonized Sales Tax recoveries. The bid price of the recommended Supplier is in the amount of \$24,995,001 net of Harmonized Sales Tax recoveries. It is approximately 14 percent higher than the engineering estimate. The staff reviewed the bid and found the bid price to be fair and reasonable.

A contingency allowance of \$4,945,000 (net of all applicable taxes and charges) on the base scope of work is included in the proposed contract for work and/or services which may be required to address any future unforeseen issues or site conditions which may arise during the construction stage of the project. Staff will follow the City's Change Management process as noted in the Capital Works Procedures manual with regards to expenditure of the contingency funds.

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

CONTACT

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SIGNATURE

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