
REPORT TITLE: Additional Funds for the King Street Culvert Reconstruction in Terra Cotta, Capital Project 17-4850, Town of Caledon, Ward 1

FROM: Kealy Dedman, Commissioner of Public Works

RECOMMENDATION

- 1. That the contract (Document 2023-096T) for the reconstruction of the King Street Culvert in Terra Cotta, be awarded to Belor Construction Ltd. in the estimated amount of \$2,186,845.40 (excluding applicable taxes), pursuant to Procurement By-law 30-2018, as amended; and**
- 2. That the Capital Budget of Capital Project for the King Street Culvert (17-4850) be increased by \$475,000, fully funded from the Roads Reserve (R0210), in order to proceed with the award of this contract and construction in 2023.**

REPORT HIGHLIGHTS

- In 2018, the King Street culvert in Terra Cotta was identified as needing rehabilitation and was added to the existing Capital Project 17-4850 ("Various Structures in Caledon").
- GHD Limited was retained to provide detailed design, contract administration and construction inspection services for the rehabilitation of the "Various Structures in Caledon" Project, including added scope for the reconstruction of the King Street culvert.
- In 2020, due to the COVID pandemic, reconstruction of King Street culvert was deemed non-essential per Ontario Regulation 119/20, and it was postponed until 2023.
- In January 2023, following detailed design, environmental permits, and real estate acquisitions, a Request for Tender was issued to retain a vendor to complete the reconstruction of the King Street culvert.
- As a result of increased construction costs, scope and legislative changes, approvals and permits, the current project budget is insufficient to award the work.
- Staff is seeking Council approval for additional budget of \$475,000 to award the tender and proceed with the reconstruction of the King Street culvert in 2023.

DISCUSSION

1. Background

The existing culvert on King Street over the Credit River Tributary was constructed in 1970. A condition assessment determined that this culvert should be replaced to alleviate structural concerns, improve water flow, improve fish passage, and improve the existing road conditions by providing wider shoulders for road users.

In 2018, the King Street culvert reconstruction was included in an existing project called "Various Structures in Caledon" (Project Number 17-4850).

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In 2020, due to the COVID pandemic, replacement of King Street culvert was deemed non-essential, and it was postponed until 2023.

In January 2023 the Region of Peel issued A Request for Tender for the Culvert Replacement on King Street in Terra Cotta, Town of Caledon, Project 17-4850.

As a result of increased construction costs, scope and legislative changes, approvals and permits, the current project budget is insufficient to award the work.

2. Procurement Process

The procurement for the Culvert Replacement on King Street was advertised in accordance with the terms of the Comprehensive Economic and Trade Agreement, Canadian Free Trade Agreement, and other applicable trade agreements.

Thirteen submissions were received on the closing date.

The lowest cost compliant Bid meeting technical specifications and qualifications submitted by Belor Construction Ltd. as outlined in the analysis table below represents the Best Value Bid and is being recommended for contract award.

Analysis		
Vendor	Submitted Bid Amount	Compliant
Belor Construction Ltd.	\$2,186,845.40	Y
614128 Ontario Ltd o/a Trisan Construction	\$2,266,012.83	Y
Roubos Farm Service Ltd.	\$2,343,985.00	Y
Enscon Ltd	\$2,442,951.00	Y
Esposito Bros. Construction Ltd.	\$2,555,574.85	Y
Ambler & Co. Inc.	\$2,581,410.72	Y
Lancoa Contracting Inc.	\$2,582,444.60	Y
Primrose Contracting (Ont.) Inc.	\$2,649,719.11	Y
KAPP Infrastructure Inc.	\$2,691,133.35	Y
2220742 Ontario Ltd o/a Bronte Construction	\$2,724,664.20	Y
Clearway Construction Inc.	\$2,957,798.20	Y
Varcon Construction Corporation	\$3,021,194.00	Y
DIG-CON International Limited	\$3,718,253.00	Y

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3. Findings

The existing project budget of \$2,218,563.13 is insufficient to proceed with the culvert replacement as contract administration and inspection, and internal costs as well as Credit Valley Conservation (CVC) and excess soil management fees need to be accounted for in the project's overall budget.

There are several factors that are contributing to the increased construction costs from the original estimate, including:

- **Construction Costs Increase**

Tender submissions were reviewed by GHD Limited and Region staff to determine the underlying reasons for increased construction cost. Based on this review, post-covid increase in construction costs, including increased costs for steel, supply chain issues for Portland cement and limited fabricators for specialized precast concrete elements in Ontario, has resulted in an increased price and therefore increased construction cost for reconstruction of the King Street culvert.

- **Scope and Legislative Changes**

Release of the Ministry of Transportation Ontario's new technical bulletin resulted in additional design efforts in 2022 and the recent change in Ontario Regulation 406/19 related to Excess Soils Management requires constructors to undertake additional soil investigation, testing, analysis and storage/handling.

- **Approvals and Permits**

Other contributing factors to the project budget shortfall are changes in scope due to additional efforts required to secure a CVC permit, as well as additional project costs required to satisfy the terms of the permit.

RISK CONSIDERATIONS

Should the project not proceed to construction in 2023, the roadway will remain at risk of water flow issues during storms. Downstream erosion and impacts to fish passage will continue. In addition, the Region would need to undertake additional inspection and maintenance activities until such time as the culvert is replaced.

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FINANCIAL IMPLICATIONS

Staff recommend that the existing Capital Budget of \$2,218,563.13 for Project 17-4850 be increased by \$475,000, fully funded from the Roads Reserve (R210), in order to proceed with the project tender award and reconstruction of the King Street culvert in 2023. This amount will address the additional post-COVID increases in construction cost, scope, legislative changes, and approvals/permits needed to complete this project.

APPENDICES

Appendix I – Location Map



Kealy Dedman, Commissioner of Public Works

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