
REPORT TITLE: Award of Construction Contract, and Engineering Design Contract Extension for Widening and Improvement of Mississauga Road from Bovaird Drive to Mayfield Road, City of Brampton, Ward 6

FROM: Kealy Dedman, Commissioner of Public Works

RECOMMENDATION

- 1. That the contract (Document 2023-195T) for the widening and improvement of Regional Road 1 (Mississauga Road) from Regional Road 107 (Bovaird Drive) to Regional Road 14 (Mayfield Road), City of Brampton, be awarded to Dufferin Construction Company, a division of CRH Canada Group Inc. in the amount of \$101,276,399.59 (excluding applicable taxes), pursuant to Procurement By-law 30-2018, as amended; and,**
- 2. That the existing budget for Capital Project 10-4040 for the widening and improvement of Mississauga Road from Bovaird Drive to Mayfield Road be increased by \$21.8M, financed 85 per cent from Development Charge Reserve Fund R3505 and 15 per cent from Roads Reserve R0210 in order to proceed with award of the construction tender; and,**
- 3. That the contract (Document 2015-198P) for Professional Engineering Services for Detailed Design and Contract Administration for Regional Road 1 (Mississauga Road) from Regional Road 107 (Bovaird Drive West) to Regional Road 14 (Mayfield Road), awarded to R.V. Anderson Associates Limited, be extended for additional design and contract administration services attributed to facilitating design and permit changes, in the amount of \$900,000, (excluding applicable taxes) for a total contract commitment of \$6,104,595 (excluding applicable taxes), pursuant to Procurement By-law 30-2018, as amended.**

REPORT HIGHLIGHTS

- Peel Region retained R.V. Anderson Associates Limited to provide detailed design and contract administration services for the widening and improvement of Mississauga Road, from Bovaird Drive to Mayfield Road, which includes a new road-over-rail bridge over the Canadian National Railway (CN Rail) as well as new multi-use pathways and intersection improvements.
- Peel issued a Request for Tender for project construction which closed on May 12, 2023. All seven bids exceed the approved project budget.
- Additional funds are required in the amount of \$21.8M to allow the construction contract for Mississauga Road, totaling \$101,276,399.59, to be awarded to the lowest compliant bidder, Dufferin Construction Company, A division of CRH Canada Group Incorporated.
- The budget increase is due primarily to higher labour and material costs, additional requirements from CN Rail, changes in excess soils regulation, and changes necessary to support City of Brampton's future Lagerfeld Drive extension.

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- Staff recommend that the current contract for the detailed design and contract administration with R.V. Anderson Associates Limited be extended to incorporate the City of Brampton's requested changes to support the future Lagerfeld Drive extension.
 - Construction is expected to start in Summer 2023 and to conclude in Spring 2026.
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DISCUSSION

1. Background

Mississauga Road is a major north-south arterial road and goods movement corridor. Peel Region's 2005 Long Range Transportation Plan identified the need for widening and improvements along Mississauga Road from Bovaird Drive to Mayfield Road to accommodate growth within the City of Brampton.

The project involves a two to six lane widening from Bovaird Drive to Sandalwood Parkway, and a two to four lane widening from Sandalwood Parkway to Mayfield Road. The project will replace the existing gated level railway crossing with a new six lane road-over-rail bridge over the Metrolinx and CN Rail Kitchener Line, complete with multi-use pathway, a new six lane bridge over Huttonville Creek and intersection improvements at Wanless Drive, Sandalwood Parkway, and future Lagerfeld Drive.

In August 2015, Peel Region awarded a contract to R.V. Anderson Associates Limited (Document 2015-198P) to provide professional engineering services for detailed design and contract administration services for the road widening and improvement works.

In 2022, the City of Brampton requested modifications to the Mississauga Road design and permits to better support the City's Lagerfeld Drive extension which intersects with Mississauga Road north of Bovaird Drive. Region and City staff assessed the request and concluded that proceeding with the City's requested changes would reduce future public disturbance and result in overall savings to Peel residents.

In March 2023 a Request for Tender was issued to retain a vendor to complete the construction of 4.2km of Mississauga Road with the intent to construct between Summer 2023 and Spring 2026.

2. Procurement Process

Seven compliant tender submissions were received at tender closing on May 12, 2023. Dufferin Construction Company, a division of CRH Canada Group Inc. submitted the lowest compliant bid at \$101,276,399.59 which is higher than the current project budget of \$82.2M. Additional funds are required in the amount of \$21.8M to allow contract award.

3. Reasons for Change in Budget

Main reasons for the budget increase are as follows:

- Increase in Labour and Material Costs
Post pandemic costs for labour and materials have increased substantially for steel, concrete, asphalt and skilled construction labour. The replacement grade separation

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structure and Huttonville Creek bridge are made up in large part of reinforcing and structural steel. These costs account for most of the requested budget increase.

- New Requirements from CN Rail Identified During the Tender Period
CN Rail requirements for working in a live railway corridor carrying frequent freight and commuter rail traffic were refined during the tender period, increasing the project complexity, and resulting in the need for a budget increase.
- Changes in Soils Management Regulation
In January 2023, new regulations regarding the enhanced handling of onsite and excess soils came into full effect, causing an increase to contract items involving earthworks.
- Lagerfeld Drive Extension
Capital Project Budget estimates were prepared prior to receipt of City of Brampton's request to incorporate the Lagerfeld Drive design and permit changes. While the additional design costs (\$900,000) are fully funded through the existing design budget, the additional construction works require a budget increase.

Based on the main contributing factors outlined above, cancelling this tender and reissuing a new tender is unlikely to yield a materially different result. Region Staff believe the bid prices reflect up-to-date industry pricing and represent good value for the work being performed.

RISK CONSIDERATIONS

Should the budget not be increased, the project will not proceed. In that case, three main risks will require mitigation:

1. Stakeholder Impacts

- a) Development Communities: Mount Pleasant Secondary Plan developers adjacent to either side of Mississauga Road north of Bovaird Drive are in various stages of the development process. Applications largely depend on seeing Mississauga Road improvements completed.
- b) Lagerfeld Drive: The City of Brampton requires the Mississauga Road improvement to proceed in order to connect Lagerfeld Drive to Mississauga Road, which will serve as an access gateway to Mount Pleasant GO Station from communities west of Mississauga Road.

2. Increased Traffic Congestion

Peel's 2005 Long-Range Transportation Plan identified that widening and other improvements to Mississauga Road are needed to provide sufficient capacity for vehicles and goods movement. Traffic volume along Mississauga Road continues to rise as development in the Mount Pleasant Secondary Plan Area and to the north and west advances. The risk of unacceptable congestion could be somewhat mitigated through increased use of other transportation modes such as transit and cycling.

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3. Risk of Infrastructure Failure

The existing two-lane gated railway crossing is approaching end of life and requires full reconstruction. Risk could be mitigated through additional investment in regular inspection and maintenance activities until full reconstruction takes place.

FINANCIAL IMPLICATIONS

Capital Project 10-4040 requires \$21.8M in additional funding to award the construction services to Dufferin Construction Company, A division of CRH Canada Group Inc., in the amount of \$101,276,399.59 (excluding applicable taxes). The additional funding of \$21.8M will be financed 85 per cent from Development Charge Reserve Fund R3505 and 15 per cent from Roads Reserve R0210.

Regional Council Approval is required to award a contract when the net increase is more than \$250,000 above the approved budget allocation, in accordance with Procurement By-law 30-2018, as amended, and the Region's Budget Policy F10-04.

In addition, a contract extension of \$900,000 (excluding applicable taxes) is required for the detailed design and contract administration of Mississauga Road Project 10-4040, awarded to R.V. Anderson Associates Limited, to undertake design and permit changes. The contract extension can be funded within the existing, approved design budget.

Regional Council approval is required to approve this contract extension in accordance with Procurement By-law 30-2018, as amended.

APPENDICES

Appendix I - Project Location Map



Kealy Dedman, Commissioner of Public Works

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