



Administrative Report

Office of the Director, Infrastructure & Planning Services

To: Warden MacDonald and Members of Essex County Council

From: Allan Botham, P.Eng.
Director, Infrastructure & Planning Services

Date: Wednesday, December 21, 2022

Subject: County Road 42 and County Road 43 – Phase 1
Contract Administration Agreement

Report #: 2022-1221-IPS-R23-AB

Purpose

The purpose of this report is to provide County Council information and recommendations pertaining to a Contract Administration agreement as part of the County Road 42 and County Road 43 – Phase 1 project.

Background

Phase 1 of the County Road 42 and County Road 43 improvements is underway. It is the County's practice to engage an engineering firm to provide construction administration services during expansion capacity projects. This firm would provide day to day oversight, act as the County's agent at the construction site, and would typically be the same firm having completed the design.

Dillon Consulting (Dillon) has provided services to date to complete the Environmental Study report, detailed design and tender documents. For Council's information, Dillon is currently contracted to complete detailed design and tender documents for Phase 2 of the County Road 42/43 Improvement project.

Discussion

Through 2023 Dillon continued to provide consulting services and support during the period of tendering, and provided similar services up and until signing of a construction agreement.

Administration is recommending that County Council award a contract to Dillon to provide Contract Administration and inspection services during construction for Phase 1 of the subject project.

Section 9.3 of the Procurement policy allows that “additional deliveries” may be directly assigned to a vendor if a change in vendor would cause significant inconvenience. The subject project is underway now, but proved to be challenging to secure a contractor. Within this context, our ability to rely on Dillon for assistance, recommendation and consistency, throughout the remainder of the project lends itself to a Direct Assignment.

Financial Implications

The total CR 42/43 project budget presented in the 2023 Budget is \$30,355,000, but included \$3,340,000 for future phases as shown in Table 1.

Table 1

2023 Budget Breakdown	Cost
Phase 1 Construction (Construction, Engineering, QA/QC)	\$27,015,000
Detailed Design / Engineering – Phase 2	\$340,000
Land Acquisition / Expropriation issues	\$3,000,000
Total	\$30,355,000

The Corporation executed an agreement with Piera-Con for construction of Phase 1 and Dillon has submitted a scope of services and estimate of fees letter to provide contract administration and inspection services in the amount of \$1,898,000 (plus applicable taxes). Administration now estimates that the total cost of Phase 1, including construction, contract administration, inspection, quality control testing and excess soil management is approximately \$32,612,045 (please refer to Table 2).

Table 2

Phase 1 - Post Tender Cost Breakdown	Cost
Piera-Con Contract Agreement	\$29,800,000
Contract Administration and Inspection	\$1,898,000

Phase 1 - Post Tender Cost Breakdown	Cost
Miscellaneous Costs (Excess Soil, QA/QC)	\$350,000
Sub-Total	\$32,048,000
HST (1.76%)	\$564,045
Estimated Total Cost	\$32,612,045

The County will recover just over \$5,700,000 from Tecumseh as their share of the sanitary sewer and watermain works, including fees during construction, which results in a favourable variance against the construction portion of the 2023 budget of just over \$110,000 (please refer to Table 3).

Table 3

Variance to Phase 1 Construction Budget	2023 Cost
Piera-Con Contract Agreement (incl 1.76% HST)	(\$30,324,480)
2023 Phase 1 Budget (County share)	\$27,015,000
Tecumseh Share	\$5,707,108
Sub-total	\$2,397,628
Contract Administration and Inspection (incl 1.76% HST)	(\$1,931,405)
Miscellaneous Cost (Excess soil, QA/QC) (incl 1.76 HST)	(\$356,160)
Favourable variance against Budget	\$110,063

Consultations

Preparation of the subject tender and staff report was done in consultation with the Office of Procurement & Compliance, and the Town of Tecumseh.

Recommendation

That Essex County Council receive report 2022-1221-IPS-R23-AB, County Road 42 and County Road 43 – Phase 1 Contract Administration Agreement, and award a contract to Dillon Consulting for \$1,898,000 (plus applicable taxes).

Approvals

Respectfully Submitted,

Allan Botham

Allan Botham, P.Eng., Director, Infrastructure and Planning Services

Concurred With,

Mike Galloway

Mike Galloway, MBA, CMO, Chief Administrative Officer

Appendix Number	Title
N/A	N/A