

Staff Report

Report To: City Council
Report From: Bradey Carbert, Manager of Corporate Services
Meeting Date: March 13, 2023
Report Code: CR-23-029
Subject: Award of RFT-23-001 – Downtown River Precinct Phase 2

Recommendations:

THAT in consideration of Staff Report CR-23-029 respecting Award of RFT-23-001, Downtown River Precinct Phase 2, City Council:

1. Awards the above noted Tender to E. C. King Contracting, the lowest compliant bid received, for \$2,728,724.11, including the non-refundable allocation of HST; and
2. Directs staff to bring forward a by-law to authorize the Mayor and Clerk to execute the Agreement.

Highlights:

- The Downtown River Precinct Phase 2 project was approved as part of the 2021 budget and commenced design in 2021.
- The Downtown River Precinct Phase 2 project was previously Tendered in July 2022 but was cancelled due to project pricing. The award of the Tender will address base infrastructure and continue to make the River District a place that embodies its history while envisioning its future.
- As identified in the Strategic Plan Refresh, the project is built on the belief that a healthy, economically stable and desirable downtown can be achieved through intentional placemaking activities and strategic investments.

Strategic Plan Alignment:

[Strategic Plan](#) Priority: City Building - KR1- Phase 2 of Downtown River Precinct 100% complete by December 2022

Previous Report/Authority:

Capital Budget 22.C.2

[OP-18-032 Downtown River Precinct – MCEA – Recommendation of Preferred Alternatives](#)

Background:

In 2000, the City approved a master plan framework for the entire downtown area of the City. This master plan study and the execution of the phases completed to date (the “Big Dig”) have set a positive direction and climate for redevelopment in the downtown. The plan states: *‘Communities prosper when places are livable and people enjoy being there’*.

One of the key master plan strategies is to “*strengthen the image and identity of Owen Sound’s Harbour and Downtown*”. This includes a phased implementation of improvements to the physical environment based on clear master plan design criteria and a new approach to marketing to build on and reinforce downtown themes. Over several years, many phases of the “Big Dig” have been implemented on a block-by-block basis beginning in the early 2000’s.

Northwood Associates Landscape Architects were retained in August 2012 to prepare a conceptual and schematic design plan for the Downtown River Precinct area.

The project goals were:

- To improve the character and perception of the project area;
- To make it an inviting, accessible and inclusive public space, strengthening the image and identity of the downtown; and
- To embrace and highlight the natural environment of the Sydenham River.

At its meeting on January 28, 2013, Council approved the conceptual design and referred the implementation of the Plan to the Community Planning and Heritage Committee (today’s Community Services Committee).

The Downtown River Precinct is a 4-block area, from 8th to 10th Streets on both sides of the Sydenham River. The first phase of the plan was implemented in 2019 with the completion of the 800 block of 1st Avenue East. The impact of this redevelopment has had real and positive results and the design and implementation of phase 2 will build on the momentum and success of the first phase.

The second phase is the 900 Block of 1st Avenue East. This is a narrow 12.2 m (40 ft) right-of-way and former rail corridor that has been neglected and has the greatest opportunity for transformation and investment by the businesses in the River District as a result of implementation. Illustrations of the Plan are included in Attachment 2.

The Phase 2 design has been presented at the Accessibility Advisory Committee and Operations Committee (December 2021). In addition, the EA process in 2018 included several public meetings and the Phase 2 detailed design was presented at meetings with adjacent businesses and the River District Board of Management.

In July 2022, a Tender RFT-22-026 was issued for the work in this phase. When the tender closed, the project was over budget and only had one bid. A decision was made to re-tender early in 2023 anticipating more than one bid and more competitive pricing with a tender early in the year.

Additionally, the design was modified in an attempt to reduce the budget to ensure that the re-tender would be aligned with the budgeted project amount. The changes were balanced with maintaining the integrity of the design and ensuring that the project goals would still be achievable.

In accordance with the City's Procurement of Goods, Services, Construction, and Consulting Policy (By-law 2020-002) the award of all purchases above \$250,000 must be approved by Council.

This report has been drafted to provide Council with the necessary information to approve the award of Tender RFT-23-001, Downtown River Precinct Phase 2. The capital detail sheet describing the project has been included as an attachment to this report.

Analysis:

The above-mentioned Tender was called in compliance with the City's Purchasing By-law and closed on February 16, 2023, with two compliant bids received.

The bids received, including the non-refundable allocation of HST, are as follows:

Company Name	Bid Price
E. C. King Contracting	\$2,728,724.11
MacDonnell Excavating Ltd.	\$2,924,358.53

The lowest compliant bid is \$951,325 over the approved budget for the construction component of the project. This cost also includes a \$250,000 contingency.

Despite the funding shortfall, a staff team consisting of the City Manager, Director of Public Works and Engineering, Director of Community Services, Manager of Engineering Services, Engineering Technologist – Traffic and Construction, and Manager of Corporate Services met to discuss the project as well as impact on future phases of the Downtown River Precinct Plan.

Through these discussions, Staff believes that the project should proceed due to the importance of building the City's 'brand'. This type of project builds on the belief that a healthy, economically stable and desirable community can be achieved through intentional placemaking activities and strategic investments.

Staff are recommending that the tender be awarded to E.C. King Contracting. The Financial Implications section below identifies the initial budget and funding sources to be considered in order to make up the shortfall between the approved capital budget and the project tender.

In terms of future phases of the Downtown River Precinct including the 800 and 900 blocks of 1st Avenue West, it is recommended that the scope of these projects be removed from the multi-year capital budget at this time. The updated design and implementation of certain elements of the plan may be considered with other core infrastructure improvements in these areas in future years.

Financial Implications:

The construction of the Downtown River Precinct Phase 2 project was approved in the 2023 Capital Budget for \$1,876,000 with \$676,000 in tax-supported funding, and \$1,100,000 from the Ontario Community Infrastructure Fund. On January 30, 2023, Council was also made aware that this project's boardwalk component was awarded \$100,000 from the Enabling Accessibility Fund. This funding was added to the capital project on the updated multi-year capital plan.

The updated cost estimates, based on the recommended bid submission, including the non-refundable allocation of HST is as follows:

Description	Approved Budget	Funding Required	Difference
In-House Engineering	\$20,000	\$20,000	-
Third-Party Engineering	\$80,000	\$80,000	-
Signage	\$3,000	\$3,000	-
Construction	\$1,603,000	\$2,474,325	(\$871,325)
Contingency	\$170,000	\$250,000	(\$80,000)
Total	\$1,876,000	\$2,827,325	(\$951,325)

The updated funding based on the awarded design/engineering and the recommended bid submission, including the non-refundable allocation of HST is as follows:

Description	Approved Funding	Recommended Funding	Difference
Tax-Supported	\$676,000	\$676,000	-
OCIF	\$1,100,000	\$1,350,000	\$250,000
EAF	\$100,000	\$100,000	-
2024 Roads Rehabilitation	-	\$150,000	\$150,000

Description	Approved Funding	Recommended Funding	Difference
Program (federal gas tax)			
RED reserve	-	\$40,000	\$40,000
RED Application*	-	\$84,459	\$84,459
Kerr Reserve	-	\$20,000	\$20,000
Parks Reserve	-	\$130,000	\$130,000
Land Sale Reserve	-	\$75,000	\$75,000
Capital Reserve	-	\$200,000	\$200,000
Total	\$1,876,000	\$2,827,325	(\$949,459)

As was noted, a staff group met to consider options to close the funding gap. As identified in the above table, staff are recommending allocating funding from a number of smaller capital reserves that are consistent with the scope of the project and the desired outcomes. In addition, a small increase in OCIF is being allocated from removing Phases 3 and 4 of the DRP from the multi-year capital plan. The use of the 2024 federal gas tax dollars represents the cost of the asphalt resurfacing component of the project.

The asterisk in the table above denotes that the City has also applied for the Rural Economic Development program for funding towards the streetscaping components of the project. Additional funding may be required if this grant is not received.

The Director of Corporate Services recommends using the capital reserve fund to offset the remaining shortfall and will provide a final recommendation once the project has been completed and as part of the 2023 year-end reserve fund transfer report.

Communication Strategy:

The above-noted Tender was posted on the City's Bids & Tenders website on January 18, 2023, in compliance with the City's Purchasing By-law to be accessible to all potential bidders.

Project Oversight & Reporting

As this is a project of significance, Staff will provide oversight and communication of the progress on implementation on a monthly basis through the Operations Committee.

Additionally, the quarterly updates on the capital budget will include all capital projects including the DRP.

Consultation:

The City Manager, Director of Public Works and Engineering, Director of Community Services, Manager of Engineering Services, and Engineering Technologist – Traffic and Construction were consulted in preparing this report.

Attachments:

1. Capital Detail Sheet 22C.2 – Downtown River Precinct Phase 2
2. Downtown River Precinct Phase 2 Illustration

Recommended by:

Bradey Carbert, Manager of Corporate Services
Kate Allan, Director of Corporate Services

Submission approved by:

Tim Simmonds, City Manager

For more information on this report, please contact Bradey Carbert, Manager of Corporate Services at bcarbert@owensound.ca or 519-376-4440 ext. 1240.