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Date: May 11, 2018
To: Mayor and Council
Author: G.A. Plancke / Director of Municipal Services
RE: Road 11 Water Works Petition Award of Tender
Report No.: MS 2018 - 18

AIM

To provide Council with an update with regards to the Road 11 Water Works Petition initiated in January 2018 and to recommend Award of Tender.

BACKGROUND

As per the Engineer's Report and assessment schedule previously provided under Report No. MS 2018-01, outlined a total estimated cost for the proposed watermain, including valves, connections to the existing system, private service connections and automatic flushing device at approximately \$400,000 (excluding HST). This does not include the cost of the fire hydrants which was originally estimated at an additional \$50,000 to be paid for the Town as part of resolution 470-2017. A breakdown of the estimated costs were shown as per below:

<i>Engineering Estimate</i>	
(includes watermain, valves, hydrants)	\$ 339,250.00
Contingencies (10%)	\$ 30,000.00
Engineering & Contract Administration	\$ 30,000.00
Engineer's Report Cost	\$ 750.00
Sub Total	\$ 400,000.00
Property Owner Share (1/16th)	\$ 25,000.00

RC Spencer Associates Inc, prepared the Tender documents and Municipal Services posted the Tender on the Town's E Bids and Tenders for a three week period ending on May 11, 2018.

DISCUSSION

On May 11, 2018 the tender closed for Contract No. MS17-201 for the Road 11 watermain project. The following results (not incl. HST) we received in lowest to highest submitted order.

Nevan Construction Inc.	\$414,600.00
Sherway Contracting (Windsor) Limited	\$444,444.44
D’Amore Construction (2000) Ltd	\$546,900.00
SheaRock Construction Group Inc.	\$555,111.00
SLR Contracting Inc.	\$588,850.00

These results were then forwarded to RC Spencer Associates for review, and the response is found in the attached recommendation letter dated May 14, 2018.

In essence; despite Sherway Contracting`s tender being slightly above that submitted by Nevan Construction, It is the opinion of the of the professional Engineer that Nevan Construction does not have the “capability to carry out and complete a project of this scope” at this time.

Accordingly, the submitted figures from the recommended contractor, Sherway Contracting (Windsor) Ltd, identifies the following breakdown of the costs to the property owners using actual Contractor submitted pricing (**Not including the cost of the fire hydrants**)

Tender

Contractor’s pricing (Includes watermain, valves and service connections	\$324,444.44
Contingencies	\$ 30,000.00
Engineering & Contract Administration	\$ 30,000.00
Engineering Report Cost	\$ 750.00
Sub Total	\$385,194.44
Property Owner Share (1/16th)	\$ 24,074.65

Administration elected to add an additional \$20,000.00 contingency allowance to the tender item to specifically cover the cost of the fire hydrant installation. Any cost related to the contingency allowance above and beyond the \$30,000.00 originally estimated and approved by the petitioners will be assumed by the Town to a maximum of an additional \$20,000.00.

The fire hydrant installation costs were originally estimated at \$50,000.00 however the tender amount identifies the costs to be \$70,000.

The 2018 budget allocation for the hydrant installation for the Road 11 E project was approved at \$35,000 with the remaining \$35,000 cost and the HST burden (\$7,822.22) proposed to be assessed to account # 02-201-360-71649 (Watermain Looping Program).

Tender

Contractor’s pricing (Fire Hydrants)	\$70,000.00
Contingency	\$20,000.00
HST Burden for the complete project	\$ 7,822.22
Sub Total / Town Share	\$97,822.22

It is important to note that only the actual cost of the project will be assessed. Contingency funds included within the Tender that remain unused will be subtracted from the overall project cost and ultimately individual assessments.

LINK TO STRATEGIC PLAN

To become a leader in sustainable infrastructure renewal and development.

FINANCIAL CONSIDERATIONS

Total cost of project as tendered **\$483,016.66**
(Includes HST burden and fire hydrant installation)
Also includes a total \$50,000 contingency allowance.

Tender

Contractor's pricing (Includes watermain, valves and service connections)	\$324,444.44
Contingencies	\$ 30,000.00
Engineering & Contract Administration	\$ 30,000.00
Engineering Report Cost	\$ 750.00
Sub Total	<u>\$385,194.44</u>
Petitioning Property Owner Share (1/16th)	\$ 24,074.65

Tender

Contractor's pricing (Fire Hydrants)	\$70,000.00
Contingency	\$20,000.00
HST Burden for the complete project	\$ 7,822.22
Sub Total / Town Share	\$97,822.22

Petitioning Property Owners to be assessed actual project cost.

Town component share to be assessed to account #'s 02-201-360- 71862 and 01-201-360-71649 respectively.

CONSULTATIONS

RC Spencer Associates
Municipal Services
Financial Services

RECOMMENDATION

That Council receive the results of the MS17- 201 Tender identified as the installation of new watermain and appurtenances for Road 11 E, and to concur with the Town’s Engineering consultant to accept and award the Tender to Sherway Contracting (Windsor) Limited, for the Tender price of \$444,444.44 + HST and to authorize the Mayor and Clerk to execute the agreement and draft the appropriate authorizing by-law.

Respectfully submitted,

G.A. Plancke

G.A. Plancke
Director of Municipal Services

Peggy Van Mierlo-West

Peggy Van Mierlo-West, C.E.T.
Chief Administrative Officer