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**Date:** April 8, 2019

**To:** Mayor and Council

**Author:** Tim Del Greco, Manager of Municipal Services

**RE:** South West Service Area Water Main Expansion

**Report No.:** MS 2019 - 19

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## **AIM**

To award a Request for Proposal (RFP) for engineering services pertaining to the design and construction of water main in the South West Service Area (SWSA) of Kingsville.

## **BACKGROUND**

Development within the SWSA is on indefinite hold as current water availability is unable to support new growth. The SWSA is an area of land west of the Kingsville core and south of Road 2 West. Figure 1 in Appendix A of this report includes a map of the SWSA for your reference.

In 2017, Stantec Consulting was retained to perform a hydraulic analysis of the SWSA and provide recommendations for increasing water capacity. The intent of the analysis was to ensure a sufficient increase in water capacity capable of supporting new residential developments. Specifically, proposed new residential developments that have been received and/or considered by the Town. Figure 2 in Appendix A includes a map of such proposed developments for your reference. It is estimated that 2,946 residential lots would be constructed upon completion of all proposed developments.

The Stantec Report concluded with a recommendation that new water main be constructed in the current distribution system. As a result, administration requested funding from Council to procure engineering services pertaining to new water main construction. The request was approved by Council and allocated in the 2019 Capital Budget.

## **DISCUSSION**

The locations of new water main are depicted on the map in Figure 7 of Appendix A. You will note the work is subdivided into six stages. This staged approach of construction was envisioned so that capital costs can be deferred and triggered by community growth.

Completion of stages one thru three will provide some capacity for initial residential development of the SWSA. A RFP for engineering services (stages one thru three only) was advertised to the public on February 22, 2019 and closed on March 22, 2019.

The results (excluding HST) are as follows:

<b>Contractor/Vendor Name</b>	<b>Bid Amount</b>
RC Spencer Associates Inc.	\$80,000
Dillon Consulting Limited	\$209,596
IBI Group Professional Services	\$420,470
Architecttura Inc.	\$646,745

Each proposal submitted was evaluated against several criteria including experience with similar projects, qualifications of personnel, understanding of project scope, proposed work plan and value added concepts.

RC Spencer is able to satisfy requirements relating to the above criteria while providing the lowest cost proposal. Therefore, the recommendation is to proceed with this vendor.

RC Spencer has indicated in their proposal completion of all engineering and design prior to October of 2019. Tendering for construction can be completed in the first quarter of 2020 should Council approve of such works in the 2020 Capital Budget.

#### **LINK TO STRATEGIC PLAN**

To become a leader in sustainable infrastructure renewal and development.

#### **FINANCIAL CONSIDERATIONS**

Stantec Consulting provided a breakdown of probable costs associated with the construction of all recommended water main (please reference page 16 of the Stantec Report for details). Construction of stages one thru three is estimated at \$8.4 Million. Construction of all six stages is estimated at \$19.8 Million.

Engineering was estimated based on a percentage (7.5%) of the total probable construction costs. As a result, \$630,000 is allocated in the 2019 Capital Budget for engineering services pertaining to stages one thru three.

Should the Town elect to proceed with construction following completion of engineering, significant working capital will be required. Options for funding sources include:

- a) Development Charges (DC's). The work identified in the Stantec Report is included in the current Kingsville DC Study. Approximately 75% of the \$19.8 Million required is recoverable through DC's. To date, \$265,695 of DC's have been collected specifically for this project. The Town can borrow DC's from other projects with the intention of repaying at a later date. The Town has a total of \$2.8 Million in accumulated DC's.
- b) Approximately \$3 Million in water main reserves for working capital and maintenance.
- c) Allocating additional funds in the annual capital budget.
- d) Enticing developers to prepay their DC charges.

Further discussion with Council will be required prior to seeking adequate funding and necessary approval for water main construction.

### **CONSULTATIONS**

Stantec Consulting  
Kingsville Municipal Services

### **RECOMMENDATION**

That Council award the Request for Proposal (File # 19-202) for engineering services pertaining to the design and construction of water main in the South West Service Area of Kingsville to RC Spencer Associates Inc.

*Tim Del Greco*

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