



Date: June 16, 2025

To: Mayor and Council

Author: Tim Del Greco, Senior Manager, Capital Projects and Engineering

RE: SWSA Watermain – Tender for Construction of Phase 2

RECOMMENDED ACTION

1. That the Tender for watermain construction through the planned West Side Collector Road corridor **be awarded** to Sherway Contracting (Windsor) Limited in the amount of \$1,947,194 (excluding HST) and the Mayor and Clerk **be authorized** to execute the requisite agreement.
2. That Administration **be directed** to submit an application to Ontario Infrastructure Lands Corporation (OILC) to finance the Development Charge component of Phase 1 and 2 of the Southwest Service Area Watermain.

BACKGROUND

In 2017, Stantec Consulting was employed by the Town to review water capacity in the Southwest Service Area ("SWSA") of Kingsville. Stantec's review concluded with three major observations:

- The SWSA, during peak hour flow conditions, may experience inadequate system pressures.
- The SWSA lacks redundancy.
- The SWSA is considered to have insufficient water capacity to support any further development.

To resolve the above, Stantec recommended the installation of a new transmission watermain from Ruthven to McCain Sideroad.

The Town started phased construction of this new watermain in 2021 along Road 2 East and it now terminates at Division Road North. There are 3 remaining phases of construction:

- Phase 1 - Westerly along Road 2 West to 263 Road 2 West. This phase was recently awarded by Council and construction will start in June of 2025.
- Phase 2 - Southerly through the planned West Side Collector Road ("WSCR") corridor to the intersection of County Road 20 and Heritage Road. Construction

of this phase is also planned for 2025. The aim of this report is to award this construction.

- Phase 3 - Westerly along County Road 20 to McCain Sideroad. A request for funds to complete this project will come forward during 2026 Budget deliberations.

DISCUSSION

A tender prepared by Stantec Consulting to construct watermain through the planned WSCR corridor (Phase 2) was advertised on May 29, 2025.

This tender closed on June 12th with 10 bid submissions. The top 3 bid results are as follows (excluding HST):

Contractor / Vendor Name	Bid Amount
Sherway Contracting (Windsor) Limited	\$1,947,194
Gillier Construction Inc.	\$1,974,600
Amico Infrastructures Inc.	\$1,995,000

Sherway Contracting is able to satisfy requirements relating to experience with similar projects, bonding, and insurance while providing the lowest cost proposal. Therefore, the recommendation is to proceed with this contractor.

FINANCIAL CONSIDERATIONS

\$7,500,000 is approved in the 2025 Budget for Phases 1 and 2 (identified above) for this project. This work is to be funded as follows:

- 75% Development Charges.
- 25% Water Capital Reserves.

As noted during budget deliberations, the Town has fully expended all Development Charges (DCs) collected to date and will need to externally debt finance the DC component of this project.

Based on the tender results, the estimated borrowing amount is calculated as follows:

Phase 1 Construction Tender	\$1,833,841
Phase 2 Construction Tender	\$1,947,194
Other Costs (engineering, inspections, etc.)	\$ 475,000
Total – Phase 1 & 2	\$4,256,035

Revised Funding Allocation:

Development Charge Component (75%)	\$3,192,026
Water Capital Reserve (25%)	\$1,064,009

Should Council award this tender, they should direct Administration to initiate a construction loan with Ontario Infrastructure Lands Corporation (OILC) for up to \$3,200,000 to finance the Development Charge component of this work. At the time of authoring this report, the lending rates on a construction loan are 3.16%, which are extremely competitive compared to private lending options.

The principle and interest associated with this debt will ultimately be repaid through the future collection of Development Charges. Based on a review of existing and projected debt obligations, the Town is well within its debt capacity limit, as established annually by the Province of Ontario, to assume this debt.

ENVIRONMENTAL CONSIDERATIONS

N/A

CONSULTATIONS

Ryan McLeod, Director of Finance and Corporate Services
Kingsville Administration
Stantec Consulting Ltd.

PREPARED BY:



Tim Del Greco, P. Eng.
Senior Manager, Capital Projects and Engineering

REVIEWED BY:



Richard Wyma
Director of Planning and Development

A handwritten signature in black ink, appearing to read 'John Norton', with a stylized flourish at the end.

John Norton
CAO