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Date: December 11, 2017
To: Mayor and Council
Author: Kevin Girard, Manager of Municipal Services
RE: Road 11 Water Works Petition Update
Report No.: MS 2017-58

AIM

To provide Council with an update with regards to the Road 11 Water Works Petition initiated in January 2017.

BACKGROUND

As part of report no. MS 2017-26, the benefitting property owners of the Road 11 watermain agreed to pay a maximum of \$26,833.33 (plus HST) for the installation of the proposed watermain at the public meeting and vote held on June 8, 2017. The agreed upon cost breakdown to property owners was as follows:

Engineering Estimate (includes watermain, valves, hydrants)	\$ 555,000.00
Contingencies (10%)	\$ 55,000.00
Engineering & Contract Admin.	\$ 74,000.00
Total	\$ 684,000.00
Property Owners' Share	\$ 25,333.33
Private Water Service	\$ 1,500.00
Total Assessment to Property Owner	\$ 26,833.33

As part of report MS 2017-26, Council carried resolution number 453-2017:

Council receive the results of the Road 11 Water Works Petition and authorize Municipal Services to enter into an agreement with RC Spencer Associates Inc. for the complete design and tender of the approved water main and required appurtenances.

In addition to this resolution, Council also agreed to cover the costs of fire suppression as follows as part of resolution 470-2017:

Council approve the cost of fire hydrants for the Road 11 Waterline Extension Project at an estimated cost of \$60,000 as a pre-approved expense from the 2018 municipal budget.

DISCUSSION

On November 10, 2017 the tender closed for Contract No. MS17-201 for the Road 11 watermain project. The following results (not incl. HST) we received:

Sherway Contracting (Windsor) Ltd.	\$ 810,325.00
D'Amore Construction (2000) Ltd.	\$ 819,440.00
Shearock Construction Group Inc.	\$ 963,725.00
Major Construction (2010) Ltd.	\$ 998,725.00
SLR Contracting	\$ 1,123,110.00
Murray Mills Excavating & Trucking (Sarnia) Ltd.	\$ 1,206,209.00
Henry Heyink Construction Ltd.	\$ 1,249,000.00

These results were then forwarded to RC Spencer for review and the response is found in the attached letter. Using the figures from the lowest bidder, Sherway Contracting, the following breakdown shows the costs to property owners using actual Contractor pricing.

Contractor's Pricing (includes watermain and valves)	\$ 695,625.00
Contingencies	\$ 20,000.00
Engineering & Contract Admin.	\$ 51,000.00
Sub-Total	\$ 766,625.00
Cost of Hydrants (subtraction)	\$ 70,000.00
Sub-Total less Hydrants	\$ 696,625.00
Property Owners' Share	\$ 25,800.93
Private Water Service	\$ 3,507.41
Total Assessment to Property Owner	\$ 29,308.34

In accordance with the attached Water Works Policy, since the cost per property owner of \$29,308.34 exceeds the engineer's estimate of \$26,833.33, the property owners were required to vote to approve the increased costs. This meeting was held on December 4, 2017 where property owners were provided an opportunity to ask any specific questions of RC Spencer or the Town. All questions and responses were recorded in the Comments/Concerns sheet attached and all those in attendance can be found in the Sign-in sheet attached.

At the end of the meeting a vote was held to determine whether the property owners were in favour of moving forward to construction of the project given that there was an increased cost. In accordance with the Town's Water Works Policy, a majority ($\geq 50\%$) of property owners must accept and be in favour of paying the increased costs for the petition to proceed to construction. The resulting vote of the petition was 8 for and 19 against.

Therefore the benefitting property owners voted to terminate the project where it stands and agreed to pay the costs for engineering.

LINK TO STRATEGIC PLAN

To become a leader in sustainable infrastructure renewal and development.

FINANCIAL CONSIDERATIONS

In accordance with the Town's Water Works Policy attached, even though the project has been terminated, the property owners are responsible for the engineering fees for the project. Currently the account sits at \$22,350.19 including HST, which equates to \$827.78 per property. One further invoice is expected from RC Spencer, but the remaining fee is nominal over the 27 property owners.

CONSULTATIONS

RC Spencer Associates
Municipal Services
Financial Services

RECOMMENDATION

That Council receive the update for the Road 11 water works petition and permit Municipal Services to terminate the petition process for this project. Further, that Council approve Financial Services to invoice the costs to date incurred for this petition to the benefitting property owners.

Kevin J. Girard

Kevin J. Girard, P.Eng
Manager of Municipal Services

G.A. Plancke

G.A. Plancke, Civil Eng. Tech (Env.)
Director of Municipal Services

Peggy Van Mierlo-West

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