



MUNICIPALITY OF THAMES CENTRE

REPORT NO. PW-ES-006-22

TO: Mayor and Members of Council
FROM: Director of Public Works
MEETING DATE: July 11, 2022
SUBJECT: **Hamilton Road / Oakwood Drive – Sanitary Trunk Sewer Construction & Oakwood Place – Road Reconstruction – Construction Tender Award**

RECOMMENDATION:

THAT 291 Construction Ltd. be awarded the tender for the Hamilton Road / Oakwood Drive – Sanitary Trunk Sewer Construction & Oakwood Place – Road Reconstruction, in the amount of \$4,000,621 including contingencies and non-rebated HST;

AND THAT The Director of Public Works be authorized to enter into an agreement with 291 Construction Ltd. for the work contained in the tender documents;

AND THAT Council approve funding of the allocation of project costs related to stormwater from the Stormwater Capital Reserve, municipal roadworks from the Transportation Capital Reserve, water from the Water Capital Reserve, and sanitary from the benefitting properties through connection charges, noting that the County of Middlesex will fund the County roadworks portion of the project.

PURPOSE:

To provide Council with a recommendation on the project award for the Hamilton Road / Oakwood Drive – Sanitary Trunk Sewer Construction & Oakwood Place – Road Reconstruction project and to determine funding.

BACKGROUND:

The scope of this project was triggered by the development of a new family and childcare centre at River Heights Public School located at 4269 Hamilton Road. The development includes a 1-storey building to the south of the existing School building, complete with an expansion to the existing parking lot and landscaped areas. This project also required a connection to the Municipality's sanitary sewage system with a completion date of May 31, 2023. Because the closest sanitary infrastructure is located at the Oakwood Drive/Byron Avenue intersection, a sewer needed to be constructed that would extend easterly from the

school property to Oakwood Drive then south to Byron Avenue where it would tie into the existing Dorchester sanitary collection system on Byron Avenue.

The Hamilton Road / Oakwood Drive – Sanitary Trunk Sewer Construction & Oakwood Place – Road Reconstruction Design and Contract Administration capital project was awarded to WT Infrastructure Solutions Inc. (WTI) on November 17, 2021 through RFP TC-007-21 Hamilton Road / Oakwood Drive – Sanitary Trunk Sewer Design and Tender Preparation. In order to take advantage of economies of scale and given the proximity of the two projects, the approved Oakwood Place Road Reconstruction capital project was also included in the Construction RFT.

The Hamilton Road/Oakwood Drive combined capital project including stormwater, water services, roadworks, and wastewater services was approved in the 2020 and 2022 Capital Budgets in the accumulated amounts of \$270,000, \$115,000, \$800,000 and \$1,050,000, respectively, totaling \$2,235,000. The Oakwood Place combined capital project, including stormwater, water services, roadworks, and wastewater services was approved in the 2020 and 2022 Capital Budgets in the accumulated amounts of \$200,000, \$160,000, \$350,000 and \$175,000 respectively, totaling \$885,000. The overall combined project budget totals \$3,120,000.

The RFT included a mandatory completion date for sanitary sewers of April 30, 2023, and an overall project completion date of June 30, 2023. Extending the completion date into spring 2023 reduced the pressure to complete it before the unpredictable winter weather season thus attracting more bidders and the potential for better prices.

The RFT was advertised on June 20, 2022, with a closing date of July 5, 2022. On the closing date, two (2) qualified bids were received. The low bid was received from 291 Construction Ltd.

The review of this tender bid was completed by WTI to determine adherence to the specifications and confirmed to be compliant and correct.

COMMENTS:

WTI compared the bid values submitted with similar road reconstruction projects tendered earlier in the year and in their opinion, their tender submission and unit prices were generally reflective of current market conditions. The prices received were generally at or below current market conditions and represent good value considering the current status of inflation and supply chain challenges in the market.

After review, it has been determined that:

1. While budgeted project costs were inflated to match similar 2021 project costs, however, 2022 construction costs have escalated over and above those predictions
2. Additional cost increases related to supply chain shortages as well as labour shortages are being experienced driving construction costs up.
3. The low bid included a contingency amount of \$420,000 which will only be utilized for unforeseen items.



FINANCIAL IMPLICATIONS:

Overall Municipal Project Budget	\$3,120,000
County of Middlesex Project Budget - estimate*	\$ 150,000
Combined Municipal and County Budget	\$3,270,000
WT Infrastructure Solutions – engineering	\$ 191,220
291 Construction Ltd. – low bid submission	<u>\$4,000,621</u>
Construction plus Engineering	\$4,191,841
Combined Project Overage	<u>\$ 921,841</u>

- the County of Middlesex Project Budget was estimated using anticipated material costs and volumes and is subject to change given actual results and project allocations.

The municipal share of actual project overages would be financed, based on project cost allocations, from the Stormwater Capital Reserve, Transportation Capital Reserve, Water Capital Reserve, with the sanitary sewer portion funded from benefitting properties through connection charges and a Thames Valley District School Board contribution of \$500,000. Cost allocations between each infrastructure category will be finalized once the project has been completed and actual costs have been determined.

TRANSPORTATION SERVICES

The roadworks portion of the project including street base materials and asphalt, boulevard grading and restoration, curb & gutter installation, sidewalk repair, and catch basin realignment. The portion of the project related to County roadworks will be funded by the County of Middlesex.

STORM SEWERS

The storm water portion of the project includes the installation of storm pipes and catch basins, repair any existing storm sewers that are identified as nearing end of life.

WATER SERVICES

The water services portion of the project includes the upgrade from copper water services to plastic services, the replacement of old cast iron watermain to pvc watermain, a new fire hydrant, and the installation of water valves to operate the distribution system more effectively.

WASTEWATER SERVICES

The wastewater sanitary services portion of the project includes the installation of a sanitary sewer along Hamilton Road, Oakwood Drive and Oakwood Place as well as private drain connections (pdc) to every property fronting the project. If awarded, the balance of sanitary costs will be recovered through connection fees. Connection fees per property will be determined once costs are finalized and the number of existing and future property connections have been determined. The Wastewater Reserve will initially fund the portion of the project that will be recovered from connections and, at the time of collection of the connection fees, the reserve will be replenished.

A Thames Valley District School Board contribution of \$500,000 will be used towards the total cost associated with the wastewater services portion of the project.

STRATEGIC PLAN LINK

Pillar: Infrastructure

Goal: Thames Centre focuses on infrastructure to support all stages of your life.

CONSULTATION:

The following staff and resources have been consulted in preparing this report:

- Jamie Witherspoon, WT Infrastructure Solutions Inc.
- Mike Henry, Chief Administrative Officer
- Kim Grogan, Director of Financial Services/Treasurer

REFERENCES:

None.

ATTACHMENTS:

None.

Prepared by: J. Craven, Director of Public Works

Reviewed by: K. Grogan, Director of Financial Services / Treasurer

Reviewed by: M. Henry, Chief Administrative Officer