

STAFF REPORT: ENGINEERING AND PUBLIC WORKS DEPARTMENT



REPORT TO: **Council**
MEETING DATE: **August 10, 2009**
REPORT NO.: **EPW.09.066**
SUBJECT: **Georgian View Estates Subdivision
Sanitary Sewer Construction and Road
Reconstruction – Contract TBM-2009-57
Award of Tender**

PREPARED BY: **Reg Russwurm – Director of Engineering
and Public Works, and
Tender Award Committee**

A. Recommendation

THAT Council receive Report EPW.09.066 entitled Georgian View Estates Sanitary Sewer Construction and Road Reconstruction; and,

THAT Council approve an increase to the 2009 Budget for the Georgian View Estates Sanitary Sewer Construction and Road Reconstruction Project to reflect \$929,506 for Roads and \$766,796 for Wastewater, funded from Municipal Act in the amount of \$766,796, \$566,800 from the Ontario Roads & Bridges Infrastructure Investment grant, Developer Contribution of \$181,353, and Town Contribution \$181,353; and,

THAT Council authorize the recovery of costs related to a portion of the Georgian View Estates Sanitary Sewer Construction and Road Reconstruction works from benefiting property owners on an equivalent unit basis, and further hold a Public Information Centre (PIC) on August 29th, 2009 to provide the residents an opportunity to comment on the proposed construction; and,

THAT payment options to be offered to the property owners include:

- (a) full payment, estimated at \$18,309.38; or
- (b) \$1,630.10 payment per year, based on a 15 year term, at approximately 6.0% interest per annum; payments over time are to be added to the tax bill; the balance owing on the loan may be repaid at any time, including interest to that date, with no penalty applied; at the time a property is sold, the balance of the loan becomes due and payable.

THAT Council approve the award of Georgian View Estates Subdivision Sanitary Sewer Construction and Road Reconstruction Tender (TBM-2009-57) to Brantford Engineering and Construction Limited in the amount of \$1,253,224.00, excluding GST; and,

THAT the Mayor and the Clerk be authorized to execute the Construction Contract Documents for TBM-2009-57; and,

THAT Council approve retaining Skelton Brumwell & Associates Inc. by negotiated agreement as per the Town's Purchasing Policy to provide engineering services for contract

administration and construction supervision for the Georgian View Estates Sanitary Sewer Construction and Road Reconstruction (TBM-2009-57) in the amount of \$100,000.00 consisting of \$88,000.00 core fee estimate plus \$12,000.00 contingency fee; and,

THAT the Mayor and the Clerk be authorized to execute the Engineering Agreement with Skelton Brumwell & Associates Inc.

B. Background

For several years it has been a priority of the Town to provide sanitary servicing to the Georgian View Estates community. In April 2007, the project was tendered and bids were received that were substantially higher than the Engineer's estimate and exceeded the Town's affordability criteria. Therefore, Council did not award that contract. The Town re-issued the tender at this time because it was expected that the costs to the residents will satisfy Council's intent of affordability because the Town has:

- experienced favourable pricing on recent tenders and feels that similar lower pricing will occur for this project as well;
- received economic stimulus funding recently for other projects and as a result, is now able to bring \$566,800 to help offset capital cost recovery needed; and,
- reached an agreement with the adjacent developer to fund a share of the works.

Indian Circle, Scott's Circle, Aberdeen Court and Collen's Court will all receive wastewater service as a result of this project as shown on the map below. In addition, this work will enable the removal of a sewage holding tank at the end of Indian Circle for the Georgian Bay Golf Club House and adjacent development lands. Furthermore, this servicing will enable additional planned development to occur. The Town is planning to undertake the construction of approximately 931 meters of 200 mm diameter and 223 meters of 250 mm diameter sanitary sewer; 39 sanitary service connections; 15 meter length of jack and bore installation; associated maintenance holes; connections to existing sanitary sewer; road reconstruction; and Georgian Trail re-instatement.

Special consideration has been given to the work along the Georgian Trail. The Georgian Trail Board of Management has been contacted on the project and is in agreement that temporary trail linkage be constructed to take users along Indian Circle to Grey Road 40 and back to the Trail. The sewer installation will start along the trail lands. The trail will be reinstated prior to the Contractor continuing with the remainder of the works and the removal of the temporary trail linkage.

Before construction starts Staff will arrange and conduct a Pre-Construction Public Information Centre (PIC) to provide more detailed information on the costs and construction schedule. It is anticipated the PIC will be held on Saturday August 29, 2009.



Capital Cost Recovery

Since the installation of the sanitary sewers is considered a capital improvement, the Town will be recovering the cost of the sewer installation and road reinstatement subject to the works being affordable to the residents.

The overall project cost is anticipated as below:

Construction	\$1,253,224
Final Design and Tender Preparation	\$112,262
Contract Administration	\$100,000
Land Acquisition	\$40,816
Geotechnical	\$25,000
Utility Relocation	\$10,000
Miscellaneous (ads, mailings, etc)	\$5,000
Project Contingency	\$150,000
Total Project Cost Estimate	\$1,696,302

In order to aid with the affordability of this project by the residents, the Town has been able to re-allocate \$566,800 to this project from works now receiving economic stimulus funding recently announced to help pay for the road works. Furthermore, the Town and the adjacent developer will equally share the cost of the remaining road works. The residents therefore need only pay an appropriate share of the sanitary system installation. There are a total of 133 sharing units of which 39 are allocated to the residents of Georgian View Estates.

The chart provided in Attachment 1 outlines in detail the financial information regarding this project based on the above construction cost estimates. Property owners fronting the proposed wastewater works plus the development and future benefiting units will be required to pay the Capital Sewer Charge for the works estimated at \$18,309.38 per unit. Updated estimates will be circulated to the affected properties as the actual costs become available. For those not wishing to make a lump sum payment, the Town will offer payment options to the benefiting property owners to be determined by Town Council. For example, repayment over 15 yrs at 6% percent results in an annual payment of \$1,630.10. Those property owners that choose to pay over time may pay off the balance owing at any time, including interest to that date, with no penalty applied. At the time a property is sold, the balance of the loan will become due and payable. If the financing option is chosen, the annual payments will be collected by the Town through the four annual tax installments.

Staff are continuing to pursue an executed agreement with the adjacent developer to fund their share of the works. In the event that an executed developer contribution agreement is not in place prior to the Town executing a Construction Contract with the Contractor, Council may go ahead with the contract execution with the knowledge that any cost recovery can be had when the next phase of the development proceeds. Any such cost recovery will be with interest.

Construction Contract

The anticipated timeline for construction includes:

- start date of September 7, 2009
- trunk sewer completed to permit removal of holding tank by November 1, 2009
- substantial performance by June 15, 2010 to permit private service extensions during summer 2010
- final completion by September 2010

Since the work is late in the year, base asphalt will not be placed in 2009 to avoid paying a cost premium and to permit any trench settlement to occur over the winter. Instead the roads will have a granular surface for the winter.

Tenders for the Georgian View Estates Subdivision Sanitary Sewer Construction and Road Reconstruction Project (TBM-2009-57) were closed on Thursday, August 6, 2009, and a public tender opening took place on the same day. Eleven companies obtained tender documents and six tenders were received. The bids included the required tender deposit cheque of \$50,000.00, Agreement to Bond, signed and sealed copies of all Addendums and tender documents. The received bids were reviewed for accuracy by Town Staff to ensure they were mathematically correct and all required submissions were provided.

Staff recommend that Council accepts the bid of Brantford Engineering and Construction Limited in the amount of \$1,253,224, excluding GST, being the lowest bid and meeting all the contract document requirements.

The tender and award of this project is in compliance with the Town's Purchasing Policy. The award is endorsed by the Tender Award Committee consisting of the CAO, Director of Engineering and Public Works and Manager of Purchasing or designates.

Construction Administration

It will be necessary to retain an Engineering Consultant to undertake Contract Administration during the construction and warranty period.

The Town previously awarded the design and contract administration of these works to Skelton Brumwell & Associates Inc. prior to the project being halted. As permitted under the Town's Purchasing Policy Section 14 f) and Procedure for Procurement Policy Schedule F j), Staff may undertake negotiated purchases when significant previous knowledge and experience about a particular project or assignment exists. It is important to consider the current claim that the Town is involved in with Skelton Brumwell against Drexler Construction for the Camperdown Sewer Project. No one directly involved with the Camperdown Sewer Project from Skelton Brumwell will be permitted to work on the Georgian View Estates Project to avoid any actual or perceived conflicts of interests. Notwithstanding the contractual claims by Drexler, Staff feel it is appropriate in the best interests of the project that Skelton Brumwell be considered for this work because the firm is responsible for the design, best understands the project and is able to undertake the work immediately

The Fee Estimate submitted by Skelton Brumwell is summarised in the table below:

Site Inspection	\$65,220
Contract Administration	\$18,360
Expenses	\$4,420
Sub-Total	\$88,000
Fee Contingency	\$12,000
Total	\$100,000

The \$88,000 fee estimate for core services represents 7% of the tendered contract price. Although this is on the high end of the 6% - 7% usually anticipated for Contract Administration and Inspection as a percentage of the tender price, it is 5.5% of the anticipated \$1.6M contract value prior to tender. Staff therefore recommend that the contract administration for the Georgian View Estates Project be awarded to Skelton Brumwell under Section 14 f) of the Purchasing of Goods and Services Policy as it applies to Negotiations and Single Source procurements to provide engineering services for contract administration and site supervision for the Georgian View Estates Sanitary Sewer Construction and Road Reconstruction (TBM-2009-57) in the amount of \$100,000.00 consisting of \$88,000.00 core fee estimate plus \$12,000.00 fee contingency for activities not specifically known at the time of award, construction time overruns, and unexpected field conditions.

C. The Blue Mountains' Strategic Plan

Town's Strategic Plan Goal # 2 "Addressing the Town's Municipal Infrastructure needs" is in part satisfied by the recommended action.

D. Budget Impact

The 2009 Capital Budget allocated \$600,000 for wastewater works and \$150,000 for road re-instatement providing a total of \$750,000. The remainder of the costs were expected to be developer contribution but were not detailed in the 2009 Capital Budget.

Now that the costs and contributions are known, the project budget should be revised to include \$929,506 for roads and \$766,796 for wastewater as developed on Attachment #1. The original intent of the 2009 Budget for Roads and Drainage was that that Town would finance \$150,000 of road reconstruction costs. The overall impact of the new budget will increase the Town contribution to \$181,353. Staff recommend that the additional \$31,353 for road works be funded from the general Roads and Bridges Reserve Fund.

E. Environmental Impacts

Servicing Georgian View Estates with municipal wastewater infrastructure will help protect ground water quality by reducing the number of septic tanks within the municipality. The removal of the sewage holding tank will reduce greenhouse gases generated by the transportation of sewage and the risk of spillage into the natural environment.

F. Attached

1. Capital Cost Recovery Development Table

Respectfully submitted,

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Director, Engineering and Public Works

For more information, please contact:
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Tender Award Committee

Paul Graham
CAO

Reg Russwurm
Director of Engineering
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**Georgian View Estates Sanitary Sewer Extension
 Preliminary Wastewater Works Estimates**

Number of Units	
Local Residents	39
Development Units	83
Future Development Units	11
Total Number of Units	133

Wastewater Extension			
<u>Expenditures</u>	<u>Road</u>	<u>Sanitary</u>	<u>TOTAL</u>
Engineering	\$ 118,867	\$ 93,395	\$ 212,262
Construction	\$ 704,239	\$ 548,985	\$ 1,253,224
Land Acquisition & Misc	\$ 22,400	\$ 58,416	\$ 80,816
Contingency	\$ 84,000	\$ 66,000	\$ 150,000
Total	\$ 929,506	\$ 766,796	\$ 1,696,302
<u>Revenues</u>	<u>Road</u>	<u>Sanitary</u>	
Developer (83 units)		\$ 478,527	
Developer Front-ending (11 units)		\$ 63,419	
Local Residents (39 units)		\$ 224,850	
Grant - Ont Roads & Bridges Infrastructure Investment	\$ 566,800		
Developer Contribution	\$ 181,353		
Town Contribution	\$ 181,353		
Total	\$ 929,506	\$ 766,796	\$ 1,696,302

Capital Sewer Charge per Unit	
Total of 133 Units - Wastewater Works	\$ 5,765.38
Capital Charges	
Camperdown Area Specific	\$ 6,546.00
Thornbury Wastewater Plant	\$ 5,998.00
Total per Unit Cost	\$ 18,309.38
Town Financing Option	
15 years at 6%	\$ 1,630.10
20 years at 6%	\$ 1,329.98