

**STAFF REPORT:           ENGINEERING AND PUBLIC WORKS DEPARTMENT**



**REPORT TO:**            **Council**  
**MEETING DATE:**      **August 10, 2009**  
**REPORT NO.:**         **EPW.09.068**  
**SUBJECT:**            **Construction of Highway 26 Watermain  
Extension Phase 4 – Contract TBM-2009-  
49 Award of Tender**  
  
**PREPARED BY:**       **John Caswell, Manager of Water and  
Wastewater Services and  
Tender Award Committee**

**A. Recommendation**

That Council approve increasing the project budget from \$55,000.00 by \$22,950.00 to \$77,950.00 for construction of Highway 26 Watermain Extension Phase 4 and

THAT Council approve the award of Construction of Highway 26 Watermain Extension Phase 4 (TBM-2009-49) to Arnott Construction Ltd. in the amount of \$60,000.00, excluding GST, and;

THAT the Mayor and the Clerk be authorized to execute the Contract Documents for TBM-2009-49.

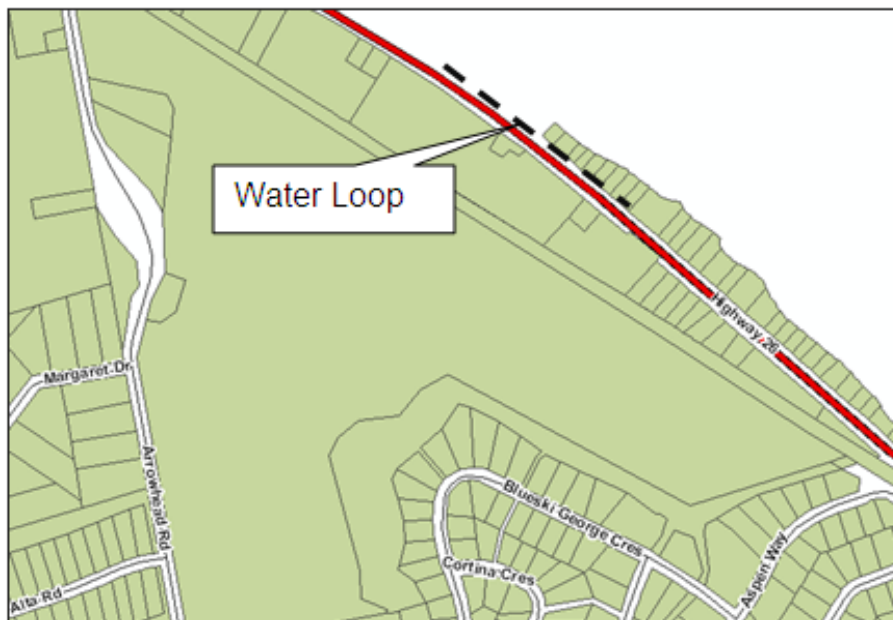
**B. Background**

The Town is undertaking the Construction of Highway 26 Watermain Extension Phase 4. The works include the construction of approximately 18 meters of 250 mm diameter watermain across an existing watercourse including reinstatement (Refer to map below).

The Construction of Highway 26 Watermain Extension Phase 4 is the final phase of the larger Highway 26 Water Transmission Project that began in 2000.

Tenders for the Construction of Highway 26 Watermain Extension Phase 4 (TBM-2009-49) were closed on Tuesday, August 4, 2009, and a public tender opening took place on the same day. A total of 8 companies obtained tender documents and 1 tender was received. The bid included the required tender deposit cheque of \$5,000.00, Agreement to Bond and tender documents. The received bids were reviewed for accuracy by Ainley Group to ensure they were mathematically correct. The Consultant's tender report is provided as Attachment #1. The Town previously received all of the required project approvals.

Staff recommends the Tender be awarded to Arnott Construction at a cost of \$60,000.00 (excluding GST), as Arnott Construction is a responsive and responsible bidder.



### Project Budget

An estimate of the capital cost was undertaken in preparation of the 2009 Capital Budget which set the project budget at \$55,000. The bid from Arnott Construction was \$60,000.00 and including the estimated cost of engineering administration and construction supervision is \$12,950.00, plus a contingency allowance of \$5000.00, the total project budget becomes \$77,950.00

The additional funds will be recovered from the benefitting property owners through a bylaw prepared under the Municipal Act.

Staff recommend that Council accepts the bid of Arnott Construction Ltd. in the amount of \$60,000.00, excluding GST, being the lowest bid and meeting all the contract document requirements and also revise the total project budget to \$77,950.00. 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.

### **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 Water budget included funding for this project in the amount of \$50,000 for construction costs and \$5,000 for contingencies for a combined total of \$55,000. The bid received from Arnott Construction Ltd. in the amount of \$60,000.00 is more than the budgeted amount for this project. Therefore the overall project budget will need to be increased by \$22,950.00 to provide for contract administration and \$5,000.00 contingency.

Staff recommend that the project be deemed to be included in the 2009 Capital Budget and that the budget be set at \$77,950.00 which is \$22,950.00 more than contemplated \$55,000.00 in the 2009 Capital Budget. The shortfall will be recovered from the benefitting property owners through a bylaw implemented under the Municipal Act.

#### **E. Environmental Impacts**

The completion of this project will loop the existing Highway 26 watermain which, will allow for more consistent chlorine residual levels to be maintained in municipal drinking water. The watermain loop will also reduce the need for watermain flushing, which will conserve water and reduce the number of staff hours expended.

#### **F. Attached**

1. Ainley Group Tender Report

Respectfully submitted,

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John Caswell  
Manager of Water and Wastewater Services

Tender Award Committee

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Paul Graham  
CAO

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Reg Russwurm  
Director of Engineering  
& Public Works

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Sherri Adams  
Manager of Purchasing

For more information, please contact:

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August 5, 2009

File No. 109077

Town of The Blue Mountains  
Box 310  
26 Bridge Street  
Thornbury, Ontario  
N0H 2P0

Attn: **Mr. John Caswell**  
**Manager of Water and Wastewater Services**

Ref: **Town of The Blue Mountains**  
**Highway 26 Watermain Extension, Phase 4**  
**Contract No. TBM-2009-49**  
**Report on Tender**

Dear Mr. Caswell:

The time and date of tender closing was 2:00 p.m. on Tuesday August 4th, 2009. Only one tender was received from Arnott Construction Limited of Collingwood in the amount of \$60,000.00 (GST excluded).

The submitted tender was checked and found to be in order.

Arnott Construction is well known to us, having previously completed many similar projects for the Town. In our opinion they are capable of successfully completing this contract.

We recommend that the contract be awarded to Arnott Construction Limited at the price bid of \$60,000.00 plus GST. We trust that this is satisfactory, however if you should have any questions, please do not hesitate to contact us.

Yours truly

**AINLEY & ASSOCIATES LIMITED**

A handwritten signature in black ink that reads "David B. Ellis".

D. B. Ellis, P. Eng.

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c.c. Reg Russwurm, Director of Engineering & Public Works