



TOWNSHIP OF NORTH HURON

REPORT

Item No.

REPORT TO: Reeve Vincent and Members of Council
PREPARED BY: Jeff Molenhuis
DATE: 05/06/2017
SUBJECT: Results for Westmoreland Street Tender
ATTACHMENTS: NONE

RECOMMENDATION:

THAT Council receive the June 5th Results for Westmoreland Street Tender Report;

AND FURTHER THAT Council award the Westmoreland Tender to Omega Contractors, ON at a cost of \$573,207.28 (full HST included), the lowest bid received satisfying all Tender requirements;

AND FURTHER THAT the 2017 Budget be amended to increase the Public Works Capital Budget from \$300,000.00 to \$350,000.00 offset by an additional \$50,000.00 from Gas Tax and the Water Capital Budget be increased from \$135,000.00 to \$220,000.00 offset by water rates/reserves to fund the increased costs of this project;

AND FURTHER THAT a By-law authorizing Reeve and Clerk to enter into an agreement with Omega Contractors for the Westmoreland Street reconstruction contract be brought forward for Council consideration.

EXECUTIVE SUMMARY

Tenders were called for the reconstruction of Westmoreland Street and part of Mill Street, with five (5) plan takers and a total of three (3) bids received on May 10th, 2017. The lowest bid on the project was from Omega Contractors from London, Ontario at a cost of \$516,190.91 (net HST included).

The reconstruction will involve the installation of new watermain, storm sewer and asphalt road surface, including curb and gutter. This is the second phase in a multi-phase reconstruction of Westmoreland Street and Mill Street. The first phase was the installation of a storm outlet from Westmoreland Street to the Blyth Creek. As some may recall, this second phase was considered in the 2016 capital plans for Roads, but was put on hold due to expired Ministry approvals, as well as a need to re-evaluate the internal capacity to complete the reconstruction project with in-house resources. RJ Burnside completed minor updates to the design in the summer of 2016, oversaw the Ministry approval process and provided a revised capital construction and inspection estimate in late 2016. Those figures were included in the 2017 budget for a total of \$300,000 for roads and storm sewer construction and inspection costs, as well as \$135,000 for watermain construction and inspection costs. The tender process was administered through RJ Burnside, who advertised in the paper as well as circulated to a list of contractors in the industry. The bid results are as follows:

BIDDER	LOCATION	AMOUNT (net HST)
Omega Contractors	London, ON	\$516,190.91
Kurtis Smith Excavating	Brussels, ON	\$525,081.60
Lavis Contracting	Goderich, ON	\$583,144.84

The above bids include net HST of 1.76%. The bids also include a \$35,000 contingency allowance for any unforeseen expenses encountered during construction. The bids include 2018 asphalt work for the final lift of asphalt. The bids do not include engineering, inspection or contract administration through the course of the reconstruction project.

DISCUSSION

An information letter was delivered to residents in April advising of pre-budget approval for this reconstruction project, the forthcoming tender advertisement and anticipated construction timing subject to council approval. The letter also advised that the project details would be available for public viewing at the Town Hall between regular business hours or upon request. As a result, Staff discussed the scope of work and some minor drainage issues with one resident via phone call. Additionally, Staff consulted directly with two businesses in the area to mitigate construction impacts to their operations, as well as discuss and finalize easement requirements for the watermain location.

Residents in the construction area will be notified of the overall construction schedule and potential impacts prior to construction, and during the course of construction as necessary.

FINANCIAL IMPACT

The 2017 Capital Budget contemplated \$300,000 for road and storm sewer work, and \$135,000 for watermain work. These figures also included the cost of engineering, inspection and contract administration. After tender analysis, the difference in cost from budget estimate to tender is due to miscellaneous items in the contract (mobilization, bonding, construction layout and removals), the large diameter storm sewer installation, temporary water supply and connection costs, and asphalt unit costs. The increased costs for the items listed are competitive with current market values based on tenders closed in the early part of 2017. It should be noted that the tender includes almost \$35,000 for contingency and \$25,000 for 2018 asphalt work.

The breakdown of the contract cost would be allocated as follows, including net HST:

Funding Source	Capital Construction (net HST)	Contract Admin/Inspection (net HST)	TOTAL (net HST)
Roads/Storm Sewer	\$319,532.46	\$28,000	\$347,532.46
Watermain	\$196,771.65	\$20,000	\$216,658.45
TOTAL	\$516,190.91	\$48,000	\$564,190.91

The roads/storm sewer portion was planned to be funded through Gas Tax for \$300,000 and was to include capital construction and contract administration/inspection. The additional \$50,000 would be recommended to be funded using additional Gas Tax reserves. The watermain portion was planned to be funded through water user rates for \$135,000. The additional \$85,000 is recommended to also be funded using water rates.

The tender values received are reasonable considering the construction year, and it would be recommended to approve this work and proceed with construction for this phase in 2017. Delay of another year for this portion of the project is not advisable as we would not anticipate much difference in tender value into next year, and the multi-phased approach of this project requires progress. This storm sewer project is an outlet for a major upstream catchment area that would greatly benefit the Blyth ward, but needs to progress toward completion of the entire project in order to do so.

FUTURE CONSIDERATIONS

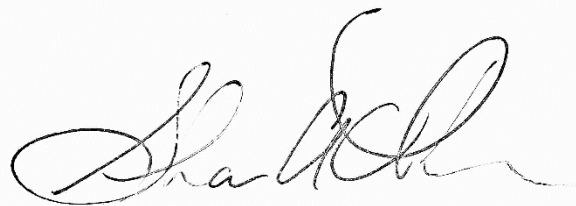
Following award, the contractor will formalize construction documentation, coordinate with staff and the consultant, and confirm schedule of construction. There are easement acquisition requirements also required for the watermain at the corner of Westmoreland and Mill Street, which will be formalized with an easement agreement that will be brought forward to Council at a future date. The landowner and the Township have verified easement particulars together, and it is expected that acquisition will be formalized by mid-June or early July.

RELATIONSHIP TO STRATEGIC PLAN

Goal #2 of the Township Strategic Plan is for our residents to be engaged and well informed. Goal #3 is that our community is healthy and safe. Goal #4 is that our administration is fiscally responsible and strives for operational excellence.



Jeff Molenhuis, Director of Public Works



Sharon Chambers, CAO