



## TOWNSHIP OF NORTH HURON

## REPORT

Item No.

**REPORT TO:** Reeve Vincent and Members of Council  
**PREPARED BY:** Sean McGhee  
**DATE:** 03/04/2018  
**SUBJECT:** Arthur Street Servicing – Tender Outcome and Award  
**ATTACHMENTS:** none

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### **RECOMMENDATION:**

**THAT** the Council of the Township of North Huron hereby receive the report of the Director of Public Works, dated April 3<sup>rd</sup>, 2018 regarding the outcome of the Tender for the completion all works associated with the Arthur Street servicing project for information;

**AND FURTHER THAT** the Clerk be directed to prepare a By-law to enter into an agreement between the Township of North Huron and Lavis Contracting Co. Limited in the amount of \$451,998.<sup>90</sup> plus applicable taxes.

### **EXECUTIVE SUMMARY**

In 2015, BMROSS was commissioned to complete a Municipal Servicing Feasibility Study for the Wingham and Area Industrial Land Strategy. The project focussed primarily on the servicing of properties in the North Street, Arthur Street, and Royal Road area. Costs associated with the work are to be shared 50/50 between North Huron and Morris-Turnberry, as there is benefit to both municipalities.

The project was split into phases. Phase One of the project includes the construction of water and sanitary sewer extending from North Street to the proximity of 237 Arthur Street. The project includes services to the property line of all adjacent vacant properties.

At the February 8<sup>th</sup>, 2018 North Huron Budget Meeting, pre-budget approval was requested and granted to ensure an early release of a tender for the completion of the first phase of the project. The following Resolution resulted:

*Moved by T. Seip  
Seconded by Y. Ritsema-Teeninga  
Result: Carried*

**THAT** the Council of the Township of North Huron hereby authorize the Director of Public Works to proceed with the Arthur Street Project:

**And Further**, that the project be included in the 2018 Budget;

**And Further**, that the project be given pre-budget approval to proceed with the tender process.

A tender for the completion of Phase One of the project was released following pre-budget approval. Two firms responded to the tender with Lavis Contracting Co. Ltd. submitting the lowest price. Both prices received were below budget estimates.

## **DISCUSSION**

Both of the submissions received were reviewed by BMROSS to ensure compliance with the requirements of the project and to confirm that there were no bid irregularities.

The submissions were as follows:

- Lavis Contracting Co. Limited - \$451,998.<sup>90</sup> plus applicable taxes;
- Kurtis Smith Excavating Inc. - \$484,000.<sup>00</sup> plus applicable taxes;

The project is expected to commence in the spring and will take approximately eight (8) weeks to complete.

## **FINANCIAL IMPACT**

In addition to construction costs, an estimate of \$50,500.<sup>00</sup> for engineering services associated with tendering and project management was provided by BMROSS. Based on the Tender outcome, the budget can be revised as follows:

The costs associated with this project are being shared equally between the Township of North Huron and the Municipality of Morris-Turnberry. Project costs are as follows:

Construction Cost -	\$451,998. <sup>90</sup>
Engineering (Administration) -	\$ 10,500. <sup>00</sup>
Engineering (Construction) -	<u>\$ 40,000.<sup>00</sup></u>
<b>Subtotal-</b>	<b>\$502,498.<sup>90</sup></b>
<b>Taxes-</b>	<b><u>\$ 8,843.<sup>98</sup></u></b>
<b>Total project cost -</b>	<b>\$511,342.<sup>88</sup></b>

As noted, the total cost is0 being shared equally between the two municipalities which results in a cost to North Huron of \$255,671.<sup>44</sup>. There was a total of \$282,384.<sup>00</sup> budgeted for the North Huron portion of this project. Based on received pricing and estimates for engineering, it is expected that the project will be completed under budget.

## **FUTURE CONSIDERATIONS**

This project represents Phase One of Three.

## **RELATIONSHIP TO STRATEGIC PLAN**

This project relates to **Goal No. 4** of the Strategic Plan in that the administration is fiscally responsible and strives for operational excellence,



Sean McGhee, Director of Public Works



Dwayne Evans, CAO