
Subject: Award of Contract 2022-T-42 Phase 2: Grimsby Watermain Replacement

Report to: Public Works Committee

Report date: Tuesday, July 12, 2022

Recommendations

1. That Contract 2022-T-42 Phase 2: Grimsby Watermain Replacement along South Service Road between Baker Road North and Park Road North in the Town of Grimsby **BE AWARDED** to Howlett Development & Construction Services Ltd. at their bid price of \$12,096,739.27 (including 13% HST).

Key Facts

- The purpose of this report is to seek Council's approval to award Contract 2022-T-42 Phase 2: Grimsby Watermain Replacement along South Service Road between Baker Road North and Park Road North in the Town of Grimsby, to Howlett Development & Construction Services Ltd. at their bid price of \$10,705,079 (excluding 13% HST, including contingency).
- Schedule B of Niagara Region's Procurement By-law 02-2016 as amended February 28, 2019 requires Council approval for all tender awards in excess of \$5,000,000.
- Proposed works include replacement of 900 m of existing 500 mm diameter watermain with a new 750 mm diameter watermain along South Service Road from Baker Road North to Park Road North.
- Construction is scheduled from August 2022 to December 2022 with a contract completion date of December 15, 2022.

Financial Considerations

Project 20000467 for both Phase 1 Grimsby Watermain Replacement along Regional Road 40 (South Service Road / Clarke Street) between Murray Street and Baker Road North, and Phase 2 Grimsby Watermain Replacement along South Service Road between Baker Road North and Park Road North in the Town of Grimsby has a previously approved capital budget of \$26,825,092. As of June 8, 2022, \$11,824,424 has been expended and committed to Phase 1 of the project and \$906,123 expended and committed to Phase 2 of the project for a total of \$12,730,547.

The total estimated project cost for both Phases 1 and 2 after the award of Contract 2022-T-42 is \$24,424,035 (inclusive of 1.76% non-refundable HST). Project cost estimates are detailed in Appendix 1 – Total Estimated Project Cost. The expected project surplus of \$2,401,057 will be returned to the Capital Variance Project – Water and Development Charges – Water accounts.

Analysis

The primary water supply to South Grimsby, Beamsville and Smithville is provided by the Grimsby Water Treatment Plant through a 500 mm diameter ductile iron watermain section along the South Service Road between Murray Street and Park Road North. This watermain was constructed in 1975 along the CNR tracks in the Town of Grimsby and, consequently, Niagara Region pays an annual license agreement fee to the railway. Furthermore, gaining access to the valves and watermain for maintenance and repair is challenging.

In January 2016, this watermain failed twice in the section between Baker Road North and Nelles Road North. While making the repairs, it was discovered that when the land to the south was developed, a berm was constructed overtop of the watermain, burying it and the air release valves to more than double the original design depth. The watermain from Murray Street to Baker Road North was constructed as one contract and as such, it is believed that the ductile iron pipe in this entire section is in the same poor condition as the pipe in the failure areas.

Providing safe, reliable drinking water is a key objective of Niagara Region. Future failures of this watermain would negatively impact the communities of South Grimsby, Beamsville and Smithville. To address this concern, a plan to replace the watermain in two phases was developed. Construction of Phase 1 Grimsby Watermain Replacement along Regional Road 40 (South Service Road / Clarke Street) between Murray Street and Baker Road North was completed in December of 2020. Phase 2 construction will include the Grimsby Watermain Replacement along the South Service Road between Baker Road North and Park Road North (See Appendix 2 Key Plan).

The Phase 2 Grimsby Watermain Replacement contract includes:

- 900 m of new 750 mm diameter watermain to be installed via open-cut methods along South Service Road from Baker Road North to Park Road North.
- Seven (7) local connections (1 at Elizabeth Street, 2 at Maple Avenue, 1 at Nelles Road North, and 3 at Baker Road North) and four (4) Regional connections (1 at

Elizabeth Street, 1 at South Service Road and Baker Road North, and 2 at Park Road North) to be made to the existing watermain system.

- One (1) trenchless crossing via micro tunnel methods with 750/1200 mm diameter carrier/casing pipe is required across Canadian National Railway (CN) tracks at Park Road North.
- Decommissioning of the existing 2.83 km of 500 mm Ductile Iron (1975) along South Service Road/CNR from Elizabeth Street to Park Road North.

In accordance with Niagara Region Procurement By-law 02-2016 as amended on February 28, 2019 and under the guidance of the Region's Procurement Department, a public tender process was initiated on April 23, 2022. The tender closed on Wednesday, May 25, 2022 at 2pm and six (6) bids were opened with the lowest compliant bid being received from Howlett Development & Construction Services Ltd. in the amount of \$12,096,739.27 (including 13% HST).

The Region's Procurement Department has reviewed and checked all opened tenders to confirm they included acknowledgement of the correct number of Addenda and requisite Bid Security (tender deposit) and Surety (Agreement to Bond).

A summary of the bid submissions, which were opened is included in Appendix 3.

Contract award requires resources from Legal Services and Corporate Services in order to execute the required contract documents. Water and Wastewater Engineering staff will be providing resources throughout the project in order to manage the contract with assistance from Corporate Services on contract/project payments.

Alternatives Reviewed

1. Proceed with the Contract Award – This alternative would enable staff to proceed with contract award to Howlett Development & Construction Services Ltd. to replace the old 500 mm diameter watermain pipeline that is beyond its service life with a new 750 mm diameter watermain to meet the Niagara Region's objective of providing safe and reliable drinking water supply to the communities of South Grimsby, Beamsville and Smithville.
2. Do Nothing –This alternative does not adequately address the safe and reliable distribution system supply of potable drinking water to the communities of South Grimsby, Beamsville and Smithville given the condition, risk and break history of the old watermain that requires replacement.

Staff recommend Alternative 1 to proceed with contract award to Howlett Development & Construction Services Ltd.

Relationship to Council Strategic Priorities

This recommendation is related to the Fostering Growth strategic priority, since the planned watermain replacement upgrade will ensure reliable infrastructure to support growth and economic development within the Town of Grimsby, Town of Lincoln and Township of West Lincoln.

Other Pertinent Reports

Not applicable.

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Appendices

Appendix 1	Total Estimated Project Cost
Appendix 2	Key Plan
Appendix 3	Summary of Bids