
Subject: Award of Contract 2023-T-21 Ontario Street Sanitary Sewer & Watermain Replacement

Report to: Public Works Committee

Report date: Tuesday, October 10, 2023

The recommendation to secure additional budgetary funding and tender award is pending approval from the Town of Lincoln's council, currently scheduled for October 2, 2023. When received, correspondence respecting the Town of Lincoln's approval will be included as Appendix 4 to this report.

Recommendations

1. That Contract 2023-T-21 Ontario Street Sanitary Sewer & Watermain Replacement in the Town of Lincoln **BE AWARDED** to the lowest compliant bidder, Alfred Beam Excavation Limited at their bid price of \$16,259,198.51 (including 13% HST); and
2. That a gross capital budget adjustment in the amount of \$886,449 gross and \$0 net **BE APPROVED** for the Ontario Street Sanitary Sewer & Watermain Replacement project and **BE FUNDED** as follows:
 - Cost sharing - Town of Lincoln \$4,247,907
 - Capital Variance Project – Water (\$3,361,458)

Key Facts

- The purpose of this report is to seek Council approval to award Contract 2023-T-21 for the Ontario Street Sanitary Sewer & Watermain Replacement in the Town of Lincoln, to the lowest compliant bidder Alfred Beam Excavation Limited at the bid price of \$14,388,671.25 (excluding 13% HST).
- Another purpose of this report is to seek Council approval for an increase to the gross budget for Project 20001175 (Ontario Street Sanitary Sewer & Watermain Replacement) by \$4,247,907 (including non-recoverable HST) based on the construction work required which includes The Town of Lincoln's infrastructure. The proposed increase will be funded through a cost-sharing agreement with the Town of Lincoln.
- As a result of the cost-sharing agreement with the Town of Lincoln, this report also seeks Council approval for a gross budget reduction for Project 20001175 (Ontario

Street Sanitary Sewer & Watermain Replacement) of \$3,361,458 and that the funds be returned to Capital Variance Project – Water.

- Proposed works include the replacement of the existing 400mm diameter ductile iron watermain on Ontario Street with a new 400mm diameter PVC watermain including four valve chambers with associated road reinstatement, from Greenlane to King Street which spans approximately 1.65km.
- Additionally, the proposed work includes the replacement of the Town of Lincoln owned sanitary sewer. This involves replacement of the existing 450mm diameter sanitary pipe with a new 600mm PVC sanitary pipe from Friesen Boulevard to King Street and replacement of the existing 600mm diameter sanitary pipe with a 750mm PVC sanitary pipe from Friesen Boulevard to Greenlane.
- The Niagara Region and the Town of Lincoln will be entering a cost sharing agreement for distributing the associated construction costs for this project in the amount of \$8,247,907.

Financial Considerations

In accordance with Schedule B of the Niagara Region Procurement By-law 02-2016 as amended February 28, 2019, requires Council approval is required for all tender awards in excess of \$5,000,000 excluding taxes.

In the 2020 Capital Budget Submission, Council approved a \$500,000 budget for the Design of Project 200001175 (Ontario Street Watermain Replacement). During the Design, a budget adjustment of \$100,000 was requested to address increased costs from Geotechnical Services which was funded through Capital Variance Project – Water. In 2023, Council approved \$16,850,000 for Phase 1 of Construction which resulted in a total budget of \$17,450,000 (including non-recoverable HST). This included \$4,000,000 in expenditures for the Town of Lincoln that would be reimbursed through cost sharing.

The total estimated project cost after the award of Contract 2023-T-21 is estimated at \$18,336,449 (including non-recoverable HST) as detailed in Appendix 1 (Total Estimated Project Cost) to Report PW 39-2023. The Town of Lincoln requires additional work, including CA&I and Geotech, which has increased their estimated construction costs from \$4,000,000 (including non-recoverable HST) to \$8,247,907 (including non-recoverable HST). This results in a budget adjustment of \$4,247,907 (including non-recoverable HST) which will be funded through cost sharing. Due to the construction estimates for the Niagara Region coming in lower than expected, we are able to return

the net variance after cost sharing of \$3,361,458 to Capital Variance Project – Water. The above is summarized in Table 1 below.

Table 1 – Summary of Project Budget Changes

Project Details	Niagara Region Contribution*	Town of Lincoln Contribution*	Total Budget*
Total Approved Budget	\$13,450,000	\$4,000,000	\$17,450,000
Town of Lincoln Increased Cost		\$4,247,907	\$4,247,907
Niagara Region Decreased Cost	(\$3,361,458)		(\$3,361,458)
Total Adjusted Budget	\$10,088,542	\$8,247,907	\$18,336,449

*includes non-recoverable HST

Per the Budget Control By-Law section 6.6(b), Council approval is required for gross budget adjustments funded by external sources greater than \$1,000,000.

A full budget breakdown can be found in Appendix 1 to Report PW 39-2023.

Analysis

Beamsville, in the Town of Lincoln, is serviced by the Grimsby water system. The system is supplied by the Grimsby Water Treatment Plant, located on 300 North Service Road in Grimsby. Lake Ontario serves as a source to this plant. The system supplies local area municipalities using a watermain network, pumping stations, and service reservoirs. The Grimsby water system consists of a single spine trunk watermain interconnecting all the water system's major components.

In 2019, and again 2021, there were watermain breaks along this portion of pipe resulting in major service disruptions. When the watermain was exposed for repairs, it was assessed to be in very poor condition. Providing safe, reliable drinking water is a primary objective of the Niagara Region. Future failures of this watermain will be problematic as they will negatively impact the community of Beamsville.

The existing 1.7km, 400mm ductile iron watermain runs along the center of Ontario Street and is located between an existing 450mm sanitary sewer and an existing 150mm local watermain. A new alignment for the new proposed 400mm PVC watermain, including all valves and appurtenances, testing, and commissioning will be completed as part of these construction works.

Additionally, the Town of Lincoln is replacing approximately 1.6km of existing sanitary sewer, ranging from 450mm to 600mm a depth of 4m to 6m along Ontario Street. All restoration works associated with the construction of the new watermain and sanitary sewer including trench restoration, road resurfacing, rotation of curb, sidewalk and boulevard areas will be constructed. Refer to Appendix 3 to Report PW 39-2023 for the Key Plan.

The construction of the works is scheduled from November 2023 to February 2025 with a contract completion date of February 3, 2025.

Proposed works for the Ontario Street Sanitary Sewer & Watermain Replacement include:

- 1.7 km of new 400 mm diameter PVC watermain, to be installed via open-cut methods along Ontario Street from Greenlane to King Street complete with excavation, fittings, joint restraint, corrosion protection, trenching, dewatering, backfill and restoration
- Installation of four valve chambers along Ontario Street including piping, valves restrained couplings and all appurtenances.
- 1.6 km of new 600mm PVC sanitary pipe from Friesen Boulevard to King Street and 750mm PVC sanitary pipe from Friesen Boulevard to Greenlane.
- Installation of three precast concrete maintenance holes for the new sanitary main, complete with excavation, dewatering, backfill and restoration.

In accordance with Niagara Region Procurement By-law 02-2016 as amended on February 28, 2019, and through Procurement and Strategic Acquisitions, Niagara Region initiated a competitive public tender process (2023-T-21) on June 5, 2023 to solicit bids via the bids and tenders platform to complete these works. The tender closed on July 20, 2023, and four (4) compliant bid submissions were received and opened, with the lowest compliant bid being received from Alfred Beam Excavating Limited in the amount of \$14,388,671.25 (excluding 13% HST).

Niagara Region's Procurement and Strategic Acquisitions 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 four (4) compliant bid submissions is included in Appendix 2 to Report PW 39-2023.

Contract award requires resources from Legal Services and Corporate Services in order to execute the required contract documents and amending agreement. 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 Alfred Beam Excavating Limited to construct the proposed works for the Ontario Street Sanitary Sewer & Watermain Replacement to meet the Niagara Region's objective of providing proper distribution of water and the town's objective of providing proper distribution of sewage. The project will provide a sustainability upgrade to the existing watermain and sanitary main, prolong the service life of the associated systems and ensure Niagara Region continues to provide safe and reliable drinking water supply to the Town of Lincoln.
2. Do Nothing – This alternative does not adequately address the safe and reliable supply of potable drinking water to the communities as sustaining demand and meeting provincial compliance would be as risk.

Staff recommend Alternative 1 to proceed with contract award to Alfred Beam Excavating Limited.

Relationship to Council Strategic Priorities

This recommendation is related to Effective Region, Objective 1.2: Explore and implement opportunities to improve service delivery outcomes through shared services. The Ontario Street Sanitary & Watermain Replacement is required to ensure sustainable investments in the infrastructure needed to provide clean and safe drinking water to the Niagara Region.

Other Pertinent Reports

None

Prepared by:

Cameron DiPietro P.Eng., CAPM
Project Manager, Engineering
Water and Wastewater Services

Recommended by:

Dan Carnegie
Commissioner of Public Works (Acting)
Public Works Department

Submitted by:

Ron Tripp, P.Eng.
Acting Chief Administrative Officer

This report was prepared in consultation with Ben Collins, Program Financial Specialist, and Lindsay Jones, Manager of Capital Projects, Water/Wastewater Engineering, and reviewed by, Joe Tonellato, Director, Water and Wastewater Services, Tony Cimino, Associate Director, Engineering Water/Wastewater.

Appendices

Appendix 1	Total Estimated Project Cost
Appendix 2	Summary of Bids
Appendix 3	Key Plan
Appendix 4	Correspondence from the Town of Lincoln

PW 39-2023 Appendix 1

Total Estimated Project Cost - Contract Award - Watermain Replacement Ontario St. in the Town of Lincoln

<u>Total Estimated Project Cost (20001175)*</u>	Council Approved Budget	Budget Increase/ Reallocation	Revised Council Approved Budget	Expended & Committed as of 09/10/23	Contract Award/ Forecast	Budget Remaining
Project Element	(A)	(B)	(C) = (A) + (B)	(D)	(E)	(F) = (C)-(D)-(E)
(a) Construction (including Construction Contingency and 1.76% non-refundable HST)	-	-	-	-	-	-
i. Contract 2023-T-21 - Niagara Region**	10,408,500	(3,677,114)	6,731,386	-	6,731,386	-
ii. Contract 2023-T-21 - Cost Sharing - Town of Lincoln**	4,000,000	3,910,526	7,910,526	-	7,910,526	-
(b) Project Contingency	1,365,000	831,000	2,196,000	-	2,196,000	-
(c) Consulting Engineering Services	-	-	-	-	-	-
i. Detailed Design	494,000	(57,967)	436,033	436,033	-	-
ii. Contract Administration & Inspection - Niagara Region	-	236,003	236,003	-	236,003	-
a. Contract Administration & Inspection - The Town of Lincoln	-	236,003	236,003	-	236,003	-
iii. Geotechnical Service-Quality Control - Niagara Region	-	101,378	101,378	-	101,378	-
a. Geotechnical Service-Quality Control - The Town of Lincoln	-	101,378	101,378	-	101,378	-
(d) Project Management (In-House) and Operations	925,500	(796,997)	128,503	28,503	100,000	-
(e) Warranty	257,000	-	257,000	-	257,000	-
(f) Miscellaneous	-	2,239	2,239	2,239	-	-
Total Estimated Project Cost	17,450,000	886,449	18,336,449	466,775	17,869,674	-

Project Funding Sources

<u>Total Estimated Project Cost (20001175)*</u>	Council Approved Budget	Budget Increase/ Reallocation	Revised Council Approved Budget	Expended & Committed as of 09/10/23	Contract Award/ Forecast	Budget Remaining
Capital Variance Project - Water	(13,450,000)	3,361,458	(10,088,542)	-	(10,088,542)	-
Municipal Cost Sharing - Town of Lincoln	(4,000,000)	(4,247,907)	(8,247,907)	-	(8,247,907)	-
Total Project Funding Sources	(17,450,000)	(886,449)	(18,336,449)	-	(18,336,449)	-

*All costs include 1.76% non-refundable HST

** Total Contract Award is equal to i) \$14,388,671 before tax; ii) \$14,641,912 including 1.76% non-refundable HST; iii) \$16,259,199 including 13% HST

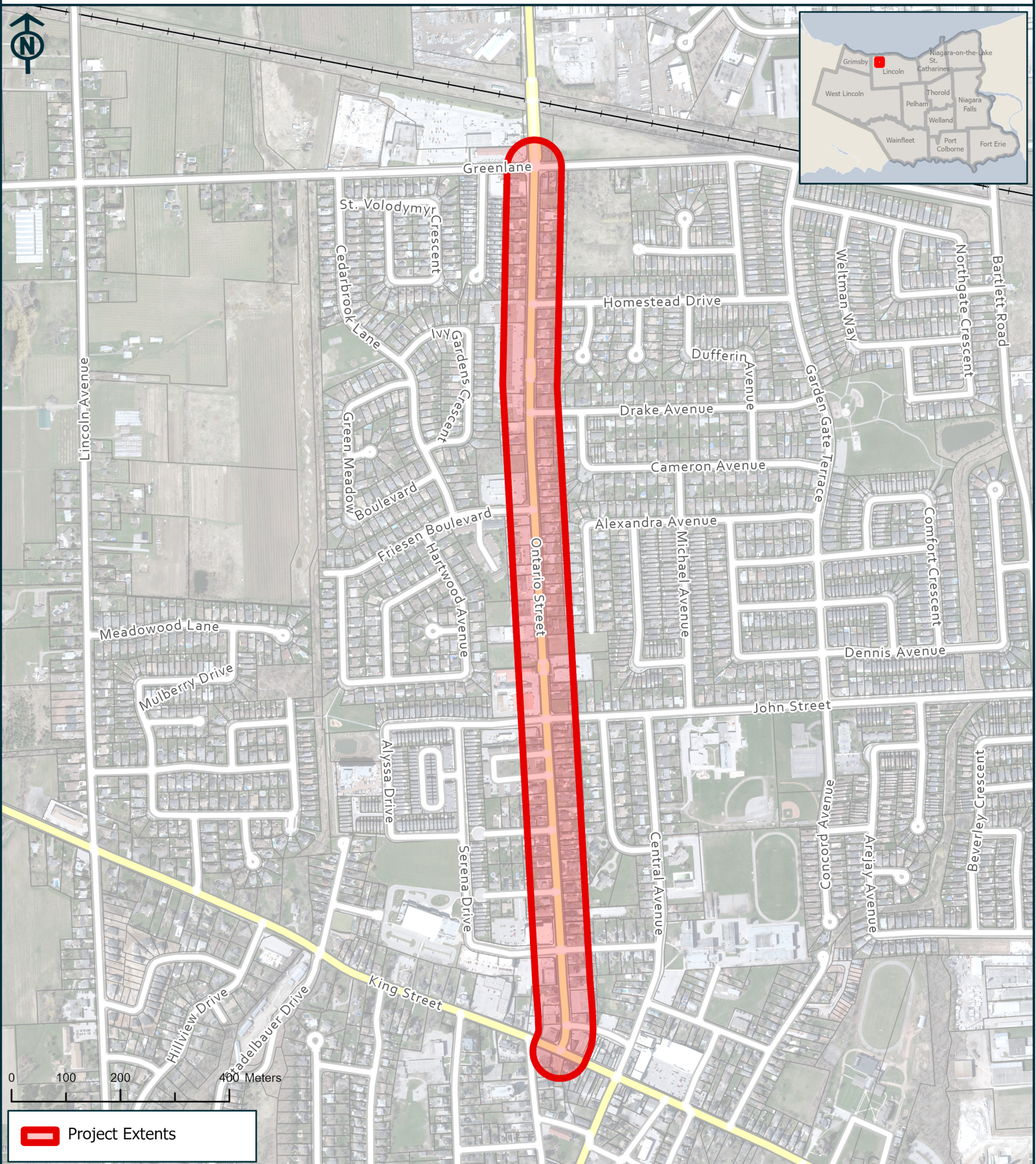
**Award of Contract 2023-T-21 Ontario Street Sanitary Sewer and Watermain Replacement
Summary of Bids (2023-T-21)**


Vendor	Total Tender Price (excluding HST)
Alfred Beam Excavating Limited	\$14,388,671.25
Peter's Excavating Inc.	\$14,856,332.60
Howlett Development & Construction Services Ltd.	\$17,675,327.75
Clearway Construction Inc.	\$20,793,461.20



Appendix 3 - Key Plan Ontario Street Sanitary Sewer and Watermain Replacement

Town of Lincoln



 Project Extents



4800 SOUTH SERVICE RD
BEAMSVILLE, ON L0R 1B1

905-563-8205

October 6, 2023

SENT VIA EMAIL: ann-marie.norio@niagararegion.ca

Region of Niagara
Ann-Marie Norio, Clerk
1815 Sir Isaac Brock way
Thorold, ON L2V 4T7

RE: Town of Lincoln Council Resolution – Ontario Street Sanitary Sewer

Please be advised that the Council of the Corporation of the Town of Lincoln at its Committee of the Whole Meeting held on September 25, 2023, passed the following motion regarding the Ontario Street Sanitary Sewer:

Resolution No.: CSI-2023-15
Moved by: Councillor Adam Russell

Receive and file Report PW-07-23, regarding the Ontario Street Sanitary Sewer Upgrades Project – Tender Results; and

Approve funding the Ontario Street Sanitary Sewer Upgrades Project in the amount of \$8,186,700.28 (plus HST) as outlined in this report; and

Approve a budget adjustment to the Ontario Street Sanitary Sewer Upgrades Project in the amount of \$1,180,786 financed through a debenture funded 50% by the Sanitary Sewers Reserve Fund and 50% by the Wastewater DC Reserve Fund; and

Approve the Mayor and Town Clerk to sign and seal the cost sharing agreement with the Niagara Region on behalf of the municipality.

CARRIED

Council of the Corporation of the Town of Lincoln confirmed and ratified this decision at its Council Meeting held on October 2, 2023 (Resolution No.: RC-2023-125).

If you require any additional information, please do not hesitate to contact the undersigned.

Regards,

Julie Kirkelos
Town Clerk
jkirkelos@lincoln.ca

JK/dk