

Subject: Award of Contract 2023-RFP-139 New Fort Erie Elevated Tank

Report to: Public Works Committee

Report date: Tuesday, May 6, 2025

Recommendations

1. That Contract 2023-RFP-139 Fort Erie Elevated Tank in the Town of Fort Erie **BE AWARDED** to Landmark Structures Co., at their bid price of \$22,248,570 (including 13% HST).

Key Facts

- This report seeks Council's approval for the award of Contract 2023-RFP-139 Fort Erie Elevated Tank to Landmark Structures Co.
- A competitive Negotiated Request for Proposal (NRFP) process was conducted by staff, resulting in Landmark Structures Co. being the only compliant proponent, with a bid price of \$19,689,000 (excluding HST).
- Council approval is required for awards greater than \$5,000,000, in accordance with the Niagara Region Procurement By-law 02-2016, as amended.
- The total Capital Project approved budget is \$23,755,000, which is sufficient to award the contract and proceed with construction.

Financial Considerations

Niagara Region initiated a competitive Negotiated Request for Proposal (NRFP) process (2023-RFP-139), on December 18, 2024, soliciting bids via the Bids and Tenders platform for the design-build construction of a 9 ML (9000 m³) composite elevated tank located at 1886 Pettit Road, Fort Erie. The NRFP closed on February 3, 2025, with one (1) bid submission received.

Typically, contractors are hired through a Request for Tender process. However, because of the specialized expertise required for constructing an elevated water tank/tower, a qualitative procurement approach was used. An NRFP allows for changes and clarifications to the proposed construction through collaboration and problem-solving dialogue with the proponents. For high risk or highly specialized work, this

approach ensures the Region has full confidence in the contractor's approach and methods *before* awarding the contract.

The competitive Negotiated Request for Proposal (NRFP) process resulted in Landmark Structures Co. being the only compliant proponent, with a bid price of \$20,035,526 (including non-recoverable HST).

Council approval is required for awards greater than \$5,000,000, in accordance with the Procurement By-law 02-2016, as amended.

Budget of \$23,755,000 is Sufficient to Award Contract

Capital Project 20000614 New Fort Erie Elevated Tank has a previously approved capital budget of \$23,755,000. The total estimated project cost, after the award of Contract 2023-RFP-139 totaling \$20,035,526 (including non-recoverable HST), remains unchanged at \$23,755,000. The project has actual and committed expenditures of \$938,318 as of February 28, 2025.

See Appendix 1 to Report PW 17-2025 – Total Estimated Project Cost for the full budget breakdown.

Analysis

Fort Erie Elevated Tank is an Essential Project

The Fort Erie Elevated Tank is essential to providing reliable drinking water storage and pressure within the Fort Erie drinking water system.

The Fort Erie drinking water system relies on the Central Avenue Elevated Tank and the Stevensville Reservoir for primary water storage, maintaining pressure and supply during peak demand and emergency situations. However, this existing infrastructure has reached the end of its design life, is scheduled for decommissioning, and no longer meets long-term capacity needs. To ensure reliable service and future growth, a new 9 ML (9000 m³) composite elevated tank will be constructed at 1886 Pettit Road, Fort Erie. The new elevated tank will enhance system resiliency, ensure reliable service, and support future growth.

Construction mid-2025 to mid-2027, Phased to Minimize Service Disruption

The proposed 9 ML (9000 m³) elevated tank, along with watermain connections and monitoring systems, will be completed as part of the construction works. The construction is sequenced in multiple phases to maintain service continuity and manage impacts at the project site.

Alternatives Reviewed

1. Proceed with the Contract Award – Staff recommend proceeding with the contract award to Landmark Structures Co. for the construction of the Fort Erie Elevated Tank. The project will enhance system resiliency, increase water storage capacity, and ensure Niagara Region continues to provide safe and reliable drinking water supply to Town of Fort Erie.
2. Postpone Construction and Undertake a New Procurement Process – This alternative is not recommended, as delaying the project could result in increased construction costs and potential service disruptions. Deferring critical infrastructure upgrades may also impact the system's ability to meet future water demand and emergency storage requirements.

Relationship to Council Strategic Priorities

This recommendation is related to the Effective Region, Objective 1.3: Deliver fiscally responsible and sustainable core services. Through asset management planning, the Fort Erie Elevated Tank project is identified as a necessary investment to support sustainable infrastructure, enhance system resiliency, and ensure the continued delivery of safe and reliable potable water to residents and businesses.

Other Pertinent Reports

None.

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Appendices

Appendix 1 Total Estimated Project Cost

PW 17-2025 Appendix 1
Total Estimated Project Cost
Award of Contract 2023-RFP-139 Fort Erie Elevated Tank

Total Estimated Project Cost (20000614)*	Council Approved Budget	Budget Reallocation	Revised Council Approved Budget	Expended & Committed as of 02/28/25	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-recoverable HST)	19,160,000	875,526	20,035,526	-	20,035,526	-
(b) Project Contingency	2,422,166	(833,901)	1,588,265	-	1,588,265	-
(c) Property Acquisition	250,000	(250,000)	-	-	-	-
(d) Consulting Engineering Services	-	-	-	-	-	-
i. Detailed Design	1,006,000	(443,972)	562,028	562,028	-	-
ii. Contract Administration & Inspection	-	400,000	400,000	-	400,000	-
iii. Geotechnical Service-Quality Control	-	200,000	200,000	98,402	101,598	-
iv. Environmental Assessment	222,098	(47,653)	174,445	174,445	-	-
(e) Project Management (In-House) and Operations	254,736	-	254,736	62,137	192,599	-
(f) Subsurface investigation	-	100,000	100,000	41,306	58,694	-
(g) Warranty	440,000	-	440,000	-	440,000	-
Total Estimated Project Cost	23,755,000	-	23,755,000	938,318	22,816,682	-

*All costs include 1.76% non-recoverable HST

**Total Contract Award is equal to i) \$19,689,000 before tax; ii) \$20,035,526 including 1.76% non-recoverable HST; iii) \$22,248,570 including 13% HST