



## The Corporation of the Town of Tecumseh

Public Works & Environmental Services

**To:** Mayor and Members of Council

**From:** Phil Bartnik, Director Public Works & Environmental Services

**Date to Council:** February 25, 2020

**Report Number:** PWES-2020-10

**Subject:** Highway 3/County Road 11 Watermain Replacement Project  
Ontario Ministry of Transportation Agreement and  
Tender Award

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### Recommendations

It is recommended:

**That** By-law No. 2020-16 being a by-law to authorize the Mayor and Clerk to sign and execute an agreement between The Corporation of the Town of Tecumseh and Her Majesty the Queen in right of the Province of Ontario, represented by the Minister of Transportation for the Province of Ontario, in a form satisfactory to the Town's Solicitor, for the watermain replacement located in part within the provincially owned Highway 3 lands from Oldcastle Road westerly to approximately 450m west of County Road 11 (Walker Road) and along County Road 11 from McCord Lane southerly to just south of Highway 3, **be approved**;

**And that** the tender for the Highway 3/County Road 11 Watermain Replacement Project in the amount of \$1,390,658, excluding HST, **be awarded** to Shearock Construction Group Inc. and that the Mayor and Clerk **be authorized** to execute an agreement, satisfactory in form to the Town's Solicitor, with Shearock Construction Group Inc. following receipt of the fully executed MTO Agreement and receipt of the required MTO permit.;

**And further that** project funding allocations, reflecting a \$490,400 decrease, **be adjusted** as follows:

- Watermain Reserve Fund – decrease from \$2,316,700 to \$1,826,300

## **Background**

At the December 12, 2017 regular meeting of Council, Council approved works on the Highway 3/County Road 11 Watermain Replacement Project as part of the 2018-2022 Public Works & Environmental Services Capital Works Plan (Motion: RCM-441/17). This project involves the replacement of the existing 150mm and 200mm diameter ductile iron watermain at the Highway 3/County Road 11 intersection from Oldcastle Road westerly to approximately 450m west of County Road 11 (Walker Road) and along County Road 11 from McCord Lane southerly to just south of Highway 3 with new 200mm and 300mm diameter watermain.

At the December 10, 2019 regular meeting of Council, Council approved the recommendation of report number PWES-2019-49 titled "2020-2024 Public Works & Environmental Services Five Year Capital Works Plan" that authorized the construction of the Highway 3/County Road 11 Watermain Replacement Project in 2020.

Administration has undertaken significant consultation with the Ontario Ministry of Transportation with regard to obtaining the required Agreements and approvals to allow this project to proceed within the Highway 3 corridor. In addition, the project was tendered in January 2020.

## **Comments**

### **Ontario Ministry of Transportation**

Highway 3 is a provincially owned and maintained highway. Any works proposed within the Highway 3 corridor require an approval from the Ontario Ministry of Transportation (MTO). Prior to issuing their approval, MTO requires the Town of Tecumseh to enter into and execute an Agreement to replace the municipal water infrastructure located at the Highway 3/County Road 11 intersection from Oldcastle Road westerly to approximately 450m west of County Road 11 and along County Road 11 from McCord Lane southerly to just south of Highway 3.

The Agreement includes, without limitation, the Town's obligations related to construction, maintenance and repair of the water infrastructure, insurance and any regulatory approvals required to complete the proposed works. The Agreement also includes the following clause:

4.1. The Municipality, at its own expense, at any time on the receipt of written notice from MTO, shall suspend operations, remove, alter, or relocate any or all of the Plant contemplated herein as may be required by MTO to facilitate any MTO construction project, reconstruction project, or maintenance project within the Highway which requires the construction of buried foundations, or any other works, at the same location as the buried Plant. MTO agrees that it shall act reasonably in the design and specification of any such construction or reconstruction project, and prior to requiring any such removal, alteration, or relocation of any portion of the Plant, MTO shall assess all reasonable design alternatives which do not necessitate any removal or relocation of the Plant.

With regard to this clause, Administration has received confirmation from MTO that there are currently no planned highway improvement projects for this section of Highway 3.

The Agreement is appended to this report as Attachment 1. This Agreement has been reviewed by the Town solicitor, Wolf Hooker. Administration recommends that the Mayor and Clerk be authorized to execute this agreement with the MTO.

## **Tender Call and Award**

In accordance with the Town's Purchasing By-law 2017-63 and accompanying Purchasing Policy, a Request for Tenders (RFT) was prepared for the Highway 3/County Road 11 Watermain Replacement Project.

A tender call was advertised on the Town's website on January 10, 2020 along with direct notification to the Windsor Construction Association. Seven (7) tenders were received by the Purchasing Officer on January 30, 2020. The Tenders were opened publicly at Tecumseh Town Hall in the presence of Administration.

Stantec has reviewed the tenders and provided the attached report (Attachment 2). The tender results are summarized as follows:

<b>Contractor</b>	<b>Tender (excluding HST)</b>
Shearock Construction Group Inc.	\$1,390,658.00
Sterling Ridge Infrastructure Inc.	\$1,487,363.00
D'Amore Construction (2000) Ltd.	\$1,579,250.00
Major Construction (2010) Ltd.	\$1,819,805.00
J & J Lepera Infrastructures Inc.	\$1,989,600.00
Coco Paving Inc.	\$2,138,420.00
Sherway Contracting (Windsor) Limited	\$2,828,325.00

One (1) addendum was issued during tendering. All seven tenderers acknowledged receipt of the addendum and included a copy in their respective tenders. A 10% bid bond was also included with each tender.

The tenders were checked for inconsistencies, omissions, unbalanced pricing and other items that would raise concerns. Prices submitted by Shearock Construction Group Inc. for some items were significantly lower than prices submitted by other tenderers, however, none of these items are considered major items in the project and no detrimental effect is expected. The tender submitted by J & J Lepera Infrastructures Inc. included a price for one tender item

that was significantly higher than other tenderers, however, no further action was taken since J & J Lepera was the fifth lowest bidder.

The tenders were also checked for mathematical errors. A mathematical error was noted in the tender submitted by Major Construction (2010), however, this error did not impact their total tender price and Major Construction (2010) Ltd. remained the fourth lowest bidder.

Based on their low tender submission, Administration, in consultation with Stantec, recommends that Council award the tender for the Highway 3/County Road 11 Watermain Replacement Project in the amount of \$1,390,658, excluding HST, to Shearock Construction Group Inc. and that the Mayor and Clerk be authorized to execute an agreement, satisfactory in form to the Town's Solicitor, with Shearock Construction Group Inc. following receipt of the fully executed MTO Agreement and receipt of the required MTO permit.

## Consultations

Corporate Services & Clerk  
Financial Services  
Ontario Ministry of Transportation  
Stantec Consulting Ltd.  
Wolf Hooker Barristers & Solicitors

## Financial Implications

Council had previously approved an allocation of \$2,316,700 from the Watermain Reserve Fund for the Highway 3/County Road 11 Watermain Replacement Project (Motion: RCM-401/19). The tendered/projected costs are summarized below:

Cost Item	Amount
Construction (tender)	\$1,390,700
Engineering	\$240,000
Topographic and Legal Survey	\$16,750
Permit Fees (MTO, County, ERCA)	\$3,500
Geotechnical	\$32,750
Utilities/Locates	\$11,000
Budgetary Contingency	\$100,000
Subtotal	\$1,794,700

Cost Item	Amount
Non-rebateable HST (1.76%)	\$31,600
<b>Total</b>	<b>\$1,826,300</b>

The total tendered/projected cost is under the approved allocation of \$2,316,700 by \$490,400.

Administration recommends that project funding allocations, reflecting a \$490,400 decrease, be adjusted as follows:

- Watermain Reserve Fund – decrease from \$2,316,700 to \$1,826,300

## Link to Strategic Priorities

Applicable	2019-22 Strategic Priorities
<input type="checkbox"/>	Make the Town of Tecumseh an even better place to live, work and invest through a shared vision for our residents and newcomers.
<input checked="" type="checkbox"/>	Ensure that Tecumseh's current and future growth is built upon the principles of sustainability and strategic decision-making.
<input type="checkbox"/>	Integrate the principles of health and wellness into all of Tecumseh's plans and priorities.
<input checked="" type="checkbox"/>	Steward the Town's "continuous improvement" approach to municipal service delivery to residents and businesses.
<input type="checkbox"/>	Demonstrate the Town's leadership role in the community by promoting good governance and community engagement, by bringing together organizations serving the Town and the region to pursue common goals.

## Communications

Not applicable ☒

Website ☐

Social Media ☐

News Release ☐

Local Newspaper ☐

This report has been reviewed by Senior Administration as indicated below and recommended for submission by the Chief Administrative Officer.

Prepared by:

John Henderson, P.Eng.  
Manager Engineering Services

Reviewed by:

Laura Moy, Dipl. M.M., CMMIII HR Professional  
Director Corporate Services & Clerk

Reviewed by:

Tom Kitsos, CPA, CMA, BComm  
Director Financial Services & Chief Financial Officer

Reviewed by:

Phil Bartnik, P.Eng.  
Director Public Works & Environmental Services

Recommended by:

Margaret Misek-Evans, MCIP, RPP  
Chief Administrative Officer

**Attachment  
Number**

**Attachment  
Name**

1

MTO Agreement

2

2020-02-11 Stantec Tender Summary and Award Recommendation