



The Corporation of the Town of Tecumseh

Public Works & Engineering Services

To: Mayor and Members of Council

From: Phil Bartnik, Director Public Works & Engineering Services

Date to Council: January 25, 2023

Report Number: PWES-2023-07

Subject: County Road 42 and County Road 43 Improvements, Phase 1
Cost Sharing Agreement with the County of Essex

Recommendations

It is recommended:

That Report PWES-2023-07 regarding Phase 1 of the County Road 42 and County Road 43 Improvements Cost Sharing Agreement with the County of Essex, **be received;**

And that By-law 2023-005 **be given** first, second and third reading, to authorize the Mayor and Clerk to execute the Cost Sharing Agreement, satisfactory in form to the Town's Solicitor, with the Corporation of the County of Essex.

Background

As Council is aware the County of Essex is proceeding with improvements to County Road 42 (CR42) from the City of Windsor to County Road 19 (Manning Road/CR19) and County Road 43 (CR43) just south of CR42 extending north to CP Rail. Over the past few years, the County has undertaken the detailed design, acquired the required property and advanced utility relocations along CR42.

Based on these improvements, Tecumseh Administration identified required improvements to the Town's existing and planned municipal services (watermains and sanitary sewers) in the vicinity of the County's project. In 2018, Council approved

recommendations in [Report PWES-2018-08](#) to prepare the detailed design for the Town's services as part of the County's project.

In January 2022, Tecumseh Council approved the recommendations of Report [PWES-2022-03](#) that included the construction of watermains and sanitary sewers as part of the CR42 and CR43 improvements project (Motion: RCM-23/22).

On April 5, 2022, the County advertised a Request for Tenders (RFT) for Phase 1 of the project with a closing date of May 24, 2022. Phase 1 involves work on storm sewers, sanitary sewers and watermains between Concession 11 and Pike Creek, as well as construction of temporary lanes for traffic and some minor utility relocations.

There were no bidders by the May 24, 2022 RFT submission deadline. In accordance with the County's Procurement Policy, direct negotiation of the costs is permitted with a contractor. The County held discussions with two potential contractors, but only one contractor could commit to undertake the works. Due to current market conditions, the cost estimate for Phase 1 from the potential contractor was \$29M, which exceeded the original construction estimate of \$18.5M. Based on this outcome, the County supported the decision to exercise the CAO's delegated authority under S. 275(3)(d) to proceed with the limited tender for Phase 1 of the CR42 and CR43 project.

On September 9, 2022, the County executed a Contract with Piera Con Enterprises Inc. to complete Phase 1 of the project. The County has also retained Dillon to provide Quality Control/Assurance, Contract Administration and Project Inspection.

On December 13, 2022, Tecumseh Council approved the recommendation of Report [CAO-2022-10](#) to endorse the additional funds that were approved by the CAO in her exercise of delegated authority during the lame duck period of the last term of Council. The additional funds were allocated from the Watermain Reserve Fund and the Wastewater Sewer Reserve Fund to cover the increase in cost of the watermain and sanitary sewers for Phase 1 of the project, for a total cost of \$6.48M for the Town.

Comments

To formalize cost sharing of the Phase 1 works, an agreement has been prepared outlining the County's portion and the Town's portion of the costs completed by both Piera Con Enterprise Inc. and the services provided by Dillon.

In general, the Town will be responsible for the following:

- The Town will reimburse the County for any and all amounts invoiced by Piera Con Enterprises Inc. with respect to the installation of the sanitary and watermain works, which has been estimated at 17.5% of the total project costs (approximately \$5,375,000 of the total \$29,961,795).

- The Town will reimburse the County for 17.5% of the amounts invoiced by Dillon for Professional Fees, Quality Control//Assurance, Contract Administration and On-site Inspection for Project Management, On-site inspection and Geotechnical Quality Control and Assurance, Excess Soil Quality Control and Assurance and Excess Soils Quality Persons. The Town's 17.5% of these costs would be related to the water and sanitary sewer works and are estimated at \$327,500 of the total \$1,898,000.

The Cost Sharing Agreement between the County and the Town has been reviewed by the Town's Solicitor for legal content, the Town's Chief Financial Officer for financial content and the Town's Engineer for technical content. The Cost Sharing Agreement is appended to By-law 2023-005.

Consultations

Financial Services
County of Essex
Town Solicitor

Financial Implications

Following substantial completion, the County and Town will conduct a final reconciliation of the cost sharing proportions based on the actual construction costs incurred as part of Phase 1 of the project.

Funding for the Town's portion for the water and wastewater components will be provided from the Watermain Reserve Fund and the Wastewater Sewers Reserve Fund as depicted in the table below.

Funding Source	Construction	Engineering	Contingency	Total
Watermain Reserve Fund	\$2,895,000	\$264,000	\$200,000	\$3,359,000
Wastewater Sewer Reserve Fund	\$2,671,000	\$246,000	\$200,000	\$3,117,000
Totals	\$5,566,000	\$510,000	\$400,000	\$6,476,000

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:

Cheryl Curran, BES
Project Technician

Reviewed by:

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

Reviewed by:

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

Recommended by:

Margaret Misek-Evans, MCIP, RPP
Chief Administrative Officer

Attachment Number	Attachment Name
None	None