



## 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:** May 9, 2023

**Report Number:** PWES-2023-42

**Subject:** Amendment to the 2023-2027 PWES Capital Works Plan  
County Road 43 Trunk Watermain Project W-4 (CP Rail to  
County Road 42)

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### Recommendations

It is recommended:

**That** report PWES-2023-42 Amendment to the 2023-2027 PWES Capital Works Plan, County Road 43 Trunk Watermain Project W-4 (CP Rail to County Road 42), **be received**;

**And that**, in accordance with the 2018 Water and Wastewater Master Plan and based on the current development opportunities within the Tecumseh Hamlet Secondary Planning Area, the County Road 43 Trunk Watermain Project W-4 (CP Rail to County Road 42) **be completed** in 2023 (design) and 2024 (construction) as part of the County of Essex's schedule for their County Road 42 & County Road 43 Improvement Project Phase 2;

**And further that** the expenditures of \$4,886,000 for the engineering and construction costs **be funded** from the Watermain Reserve Fund;

**And furthermore, that** Dillon Consulting Limited **be retained** for engineering consulting services, including completion of the detailed design, drawings and specifications, contract administration and inspection for the County Road 43 Trunk Watermain Project W-4 (CP Rail to County Road 43) in the amount of \$374,700 excluding HST, as a Single Source Procurement under the Town's Purchasing Policy and Schedule "A" of By-law 2021-60 and as amended by By-law 2021-103;

**And furthermore, that Council delegate the authority** to the Chief Administrative Officer, the Purchasing Coordinator, and the Director Public Works & Engineering Services to execute an agreement, satisfactory in form to the Town Solicitor, with Dillon Consulting Limited;

**And furthermore, that** the local watermain projects for the County Road 42 & County Road 43 Improvements Phase 2, as contained within report PWES-2023-01 2023-2027 PWES Five-Year Capital Works Plan, in the updated estimate amount of \$1,146,500, **be cancelled.**

## Background

At the May 5, 2022 Special Meeting of Council, the Members received a presentation on the [PWES Capital Priorities 2023-2031](#) and directed Administration to incorporate the recommended hybrid scenario within the 2022 and the 2023-2027 Capital Works Plans. This hybrid scenario addresses the strategic priorities of growth and economic development as well as other Council approved mandates. In addition, the Tecumseh Hamlet Area was one of the highest priority projects identified during the May 5, 2022 Special Meeting of Council and its advancement is in line with this priority status.

At the January 26, 2023 Special Council Meeting, the Members adopted the recommendations contained within report [PWES-2023-01](#) Public Works & Engineering Services 5-Year Capital Works Plan (Motion: SCM-04/23), which included the following projects within the Tecumseh Hamlet Secondary Planning Area:

- **Tecumseh Secondary Plan Area, Northwest Water & Wastewater Infrastructure Project** (design in 2023 and construction in 2024/2025). This project includes water and wastewater infrastructure identified in the Town's Water & Wastewater Master Plan 2018 Update, being: W-1 West Tecumseh Watermain, WW-1 West Tecumseh Sanitary Sewer, WW-2 Diversion Sanitary Sewer (refer to Attachment 1).
- **County Road 42 & County Road 43 Improvements Phase 2** (design in 2023 and construction in 2024). This project included the replacement of a segment of existing local watermain on County Road 43 and the extension of the local watermain from south of CP Rail to Intersection Road on County Road 43/Banwell. These local watermains were planned to be installed as part of the County of Essex's County Road 42 & County Road 43 Improvements Phase 2 project (refer to Attachment 2).

Work has progressed on both projects and remains on schedule with design in 2023 and construction commencing in 2024.

## Comments

In Q1 2023, ENWIN Utilities Ltd. (ENWIN) had preliminary discussions with Town Administration on the possibility of extending a trunk watermain on Banwell Road (from Mulberry Drive to the CP Rail), with the intent to create a looped trunk watermain on Banwell/County Road 43 that would connect to the trunk watermain on County Road 42 (refer to Attachment 3)

The purpose for this new trunk watermain would be to have an integrated ENWIN/Tecumseh trunk watermain system on Banwell Road/County Road 43 and County Road 42 that would benefit the Tecumseh Hamlet Secondary Planning Area as well as provide redundancy in the ENWIN watermain distribution system that would provide secondary service to both the NextStar Battery Plant on Banwell Road, and the Future Hospital at County Road 42/9<sup>th</sup> Concession Road.

Due to these ongoing discussions, Administration requested AECOM to complete an analysis of the proposed trunk watermain along Banwell Road and County Road 43 within the Tecumseh North Water Model Update study that they are currently completing for the Town. AECOM was able to confirm the following:

- That the proposed trunk watermain on Banwell Road and County Road 43 would improve efficiencies within the watermain distribution system for both the Town and ENWIN. These proposed trunks would consist of:
  - **ENWIN's Water Distribution System**
    - Approximately 730-metres of a 900mm diameter watermain on Banwell Road from Mulberry Drive to E.C. Row Avenue.
    - Approximately 1,230-metres of a 600mm diameter watermain on Banwell Road from E.C. Row Avenue to CP Rail.
  - **Town's Water Distribution System**
    - Approximately 1,315-metres of a 600mm diameter watermain on County Road 43 from CP Rail to County Road 42.
    - Approximately 600-metres of a 300mm diameter watermain through the Hydro One Corridor from County Road 43 easterly to where the 'Tecumseh Hamlet Secondary Plan Area – Northwest Trunk Water and Wastewater Project' will be installed.
    - It is important to note that two alignments for these trunks were identified within the Town's 2018 Water & Wastewater Master Plan Update, one on the County Road 43 and Hydro One Corridor, and the other through the Tecumseh Hamlet (see Attachment 1).
- That the Town's trunk watermain through the Tecumseh Hamlet Secondary Planning Area, as identified within the 2018 Water & Wastewater Master Plan Update, could be reduced in size from 400mm & 600mm diameter down to 300mm diameter.

- That the Town's previously planned local watermain works on County Road 43 and Banwell Road, as contained within report PWES-2023-01, 2023-2027 PWES Five Year Capital Works Plan, would no longer be required with the installation of the trunk watermain as described above.
- That the Tecumseh Secondary Planning Area (north and south of the CP Rail) would be able to fully develop in advance of ENWIN's trunk watermain on Banwell Road and County Road 42, with the completion of:
  - Tecumseh Hamlet Secondary Plan Area – Northwest Trunk Water and Wastewater Project; and
  - County Road 43 Trunk Watermain Project W-4 (CP Rail to County Road 42)

### **Summary of Opportunities & Efficiencies Identified**

1. Water distribution system improvements for both ENWIN's and the Town, with two additional connection points: Banwell/Intersection and Banwell/CP Rail;
2. Will provide redundancy in the ENWIN water distribution system that would provide secondary service to both the NextStar Battery Plant on Banwell and the Future Hospital at County Road 42/9<sup>th</sup> Concession Road;
3. Cost savings to the Town by cancelling the installation of the local watermain on County Road 43 and the reduced trunk watermain sizing through the Tecumseh Hamlet;
4. The trunk watermain that could support full development within the Tecumseh Hamlet would be Town initiated capital projects and could be installed by 2025;
5. The County Road 43 Trunk Watermain Project W-4 (CP Rail to County Road 42) would be installed as part of the County of Essex's County Road 42 & County Road 43 Improvements Phase 2 project (construction anticipated for 2024).

### **Single/Sole Sourcing**

Section 3.3 Single/Sole Sourcing of By-law 2021-60, as amended, being a by-law to govern procurement policies and procedures, states that:

"In circumstances where there may be more than one source of supply in the open market, but only one of these is recommended by the Department Director, with the concurrence of the Purchasing Officer, for consideration on grounds that it is more cost effective or beneficial to the Town; and where the expenditure will exceed \$100,000, approval must be obtained from Town Council prior to negotiations with the single source..."

Where expenditures do not exceed \$100,000, approval authority rests with the Department Director and Purchasing Coordinator or Chief Administrative Officer and has been granted accordingly.

Administration is recommending Dillon Consulting Limited be retained for engineering consulting services, including completion of the detailed design, drawings and specifications, contract administration and inspection for the County Road 43 Trunk Watermain Project W-4 (CP Rail to County Road 43), as a Single Source Procurement under the Town's Purchasing Policy and Schedule "A" of By-law 2021-60 and as amended by By-law 2021-103.

This recommendation is supported due to:

1. Dillon was previously retained by the Town in accordance with our Purchasing Policy for the consulting services for the local watermain as part of the County Road 42 & County Road 43 Improvement Phase 2 project, which is further outlined in report [PWES-2020-33](#);
2. Dillon was previously retained by the County of Essex in accordance with their Purchasing Policy for the consulting services for the County Road 42 & County Road 43 Improvement Project, including the design, contract administration and inspection of Phase 2;
3. The County of Essex's schedule for the County Road 42 & County Road 43 Improvements Phase 2 is: tender Q4 2023 and construction Q2 2024. In order to capitalize on construction and financial efficiencies, Dillon would need to be retained by the Town so that the Town's County Road 43 Trunk Watermain Project W-4 could be tendered and constructed as part of the County of Essex's planned Phase 2 works.

## **Delegation of Authority**

A formal agreement is required to be executed by the Mayor and Clerk in this particular instance as per Schedule "A" of By-Law 2021-60 with respect to Single Source contract approval greater than \$100,000.

Due to proprietary information contained with the consultant's scope of services and work plan for the County Road 43 Trunk Watermain Project W-4 (CP Rail to County Road 42), Administration is recommending an exception to Section 4.7(e) of the Purchasing Policy (Policy 17), which states:

"Where a formal agreement is required, as a result of the award of a contract, and approval for such a formal agreement has been provided in accordance with Schedule "A" of By-Law 2021-60, the Mayor and Town Clerk shall execute the agreement in the name of the Town of Tecumseh."

In this instance, it is recommended that Council delegate the authority to the Chief Administrative Officer, the Purchasing Coordinator, and the Director of Public Works & Engineering Services to execute an agreement, satisfactory in form to the Town Solicitor with Dillon Consulting Limited.

## Consultations

Development Services  
Financial Services  
AECOM  
County of Essex  
Dillon Consulting Limited  
ENWIN Utilities Ltd.

## Financial Implications

The updated cost estimate for the two segments of local watermain that were previously approved as part of the County Road 42 & County Road 43 Improvements Phase 2, as outlined within report PWES-2023-01, was \$1,146,500. To date, approximately \$44,000 (3.8% of the updated cost estimate) has been spent on preliminary engineering, legal and topographic surveys, and geotechnical investigations. Most of the work completed to date is transferable to the revised infrastructure servicing approach recommended in this report. Accordingly, \$1,102,500 of previously approved funding from the Watermain Reserve Fund could be reallocated to this project.

The estimated costs for the County Road 43 Trunk Watermain Project W-4 from CP Rail to County Road 42 is as follows:

Infrastructure	Construction	Engineering	Contingency	Total
Watermain RF	\$3,910,000	\$586,000	\$390,000	\$4,886,000

This section of trunk watermain (W-4) was included within the Town's 2019 Development Charges (DC) Background Study and associated By-law. Water project W-4 would have 84.08% of its costs funded through Development Charges. This relates to an estimated \$4,108,149 of the total costs of \$4,886,000 would be recoverable from the Town's DC Water Reserve Fund when sufficient DC revenue is collected. The Town's DC Water Reserve Fund is currently in a deficit position. At this time the project will be funded through the Watermain Reserve Fund.

## 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:

Brian Hillman, MA, MCIP, RPP  
Director Development Services

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

<b>Attachment Number</b>	<b>Attachment Name</b>
1	2018 Water & Wastewater Master Plan – WW & W Servicing
2	Local Watermain Projects on County Road 43
3	Proposed County Road 43 Trunk Watermain Project W-4
4	Proposed Phasing of Trunk Watermains within Tecumseh Hamlet