



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: February 25, 2025

Report Number: PWES-2025-12

Subject: Tecumseh Hamlet Secondary Plan Area
Northwest Water and Wastewater Infrastructure Project
Tender Award

Recommendations

It is recommended:

That the tender for the Tecumseh Hamlet Secondary Plan Area – Northwest Water and Wastewater Infrastructure Project in the amount of \$12,283,284 excluding HST, **be awarded** to Rudak Excavating Inc.;

And that By-law 2025-26 **be given** the first, second, third and final reading to authorize the Mayor and Clerk to execute an agreement, satisfactory in form to the Town's solicitor, with Rudak Excavating Inc.;

And further that Administration **be authorized** to sign a letter of scope change, or such other further documents as may be necessary with Stantec Consulting Ltd., in accordance with the Purchasing Policy, to provide for the additional scope of services required during detailed design to address the project phasing modifications;

And furthermore, that funding allocations reflecting a total budget requirement of \$14,858,469 with a \$12,846,854 decrease to the original allocation **be accommodated** as follows:

- Wastewater Sewer Reserve Fund – decrease from \$18,146,750 to \$9,415,200
- Watermain Reserve Fund – decrease from \$4,698,573 to \$4,119,582

- Road Lifecycle Reserve – decrease from \$3,510,000 to \$204,946
- Storm Sewer Lifecycle Reserve – decrease from \$1,350,000 to \$1,118,741

Background

At the February 13, 2024, 2024 Regular Council meeting, Council authorized Administration, under report [PWES-2024-07](#), to proceed with a revised project phasing plan for the Tecumseh Hamlet Secondary Plan Area – Northwest Water & Wastewater Infrastructure project. In general, project phasing was established as follows:

Phase 1 – Construction of trunk water and wastewater infrastructure from CR22 to Intersection Road in 2024/2025

Phase 2 – Construction of water and wastewater infrastructure on Intersection Road in 2025

Phase 3 – Re-construction of Intersection Road including storm sewer improvements, road reconstruction, multi-use pathway, etc. beyond the 2028 planning horizon

Phase 4 – Construction of trunk water and wastewater infrastructure from Intersection Road to the south of the Hydro corridor beyond the 2028 planning horizon

The Town's Consultants, Stantec Consulting Ltd. and WSP Canada Inc., completed the engineering designs and tender documents for Phase 1 and Phase 2 of this project, both of which will be constructed under a single contract:

Phase 1 – Construction of Trunk Water and Wastewater Infrastructure from County Road 22 (CR22) to Intersection Road

- The work for Phase 1 involves the construction of 1,350m of new 1200mm diameter sanitary sewer and approximately 1,350m of new 400mm diameter watermain in the greenfield area east of Banwell Road, between CR22 and Intersection Road.
- This section provides the necessary water and wastewater infrastructure for landowners to start subdivision site servicing for north of the CP Railway Areas Tecumseh Hamlet Secondary Plan Area (THSPA). It will facilitate the development of 2,181 residential units and unlock 437,000 ft² of commercial floorspace.

Phase 2 – Construction of Water and Wastewater Infrastructure on Intersection Road

- The work for Phase 2 involves the construction of approximately 520m of new 600mm diameter sanitary sewer and approximately 550m of new 400mm diameter watermain along Intersection Road, east of Lesperance.
- This section involves the installation of water and wastewater infrastructure on Intersection Road. This work will also provide a crucial infrastructure component needed to facilitate development in a portion of the Manning Road Secondary Planning Area, as well as the easterly portion of the THSPA south of the CP Rail adjacent to Manning Road. Phase 2 enables the development of 786 residential units. The wastewater component is also supported as part of the Town's Sanitary Sewer Model Recalibration and Update as it contributes to a reduction in the hydraulic grade line within the existing settlement area. This results in an overall reduction in the risk of basement flooding.

As per report [PWES-2024-48](#), the Town was successful in a funding application to the Province of Ontario's 2024 Intake for the Housing-Enabling Water Systems Fund (HEWSF). This funding program is designed to help municipalities repair, rehabilitate, and expand core water, wastewater and stormwater infrastructure with the aim to unlock more housing opportunities, support the province's growing population, protect communities, and enhance economic growth. The Town's 2024 application included Phases 1 and 2 of the Tecumseh Hamlet Northwest Water and Wastewater Infrastructure project totalling \$20.71M (in 2024 dollars) which was approved for a total HEWSF Provincial funding amount of \$15.12M.

Comments

In accordance with Article 5.0 of the HEWSF Contribution Agreement between the Province of Ontario and the Town, the acquisition of goods and services using funding shall be done in such a way that is "transparent, fair and promotes the best value for the money expended and at competitive prices that are no greater than fair market value..."

In accordance with the Town's Purchasing Policy (Policy No. 17) and Schedule A of By-law 2021-60, a project with a value of greater than \$500,000 requires a formal tender process.

The tender documents for the Tecumseh Hamlet Secondary Plan Area – Northwest Water and Wastewater Infrastructure Project were posted on the Town's Bids and Tenders portal on December 12, 2024, with an original closing date of January 30, 2025. The tender documents generally included the furnishing of all labour and materials necessary to carry out the following:

- Installation of 1,350m of new 1200mm diameter trunk sanitary sewer and approximately 1,350m of new 400mm diameter trunk watermain between CR22 and Intersection Road;
- Installation of a new wastewater flow monitoring device, complete with all electrical and supervisory control and data acquisition (SCADA) capable of communicating with the Town’s existing system;
- Connections of existing watermains on Gouin Street and Maisonneuve Street into the new trunk watermain;
- Installation of approximately 520m of new 600mm diameter sanitary sewer and approximately 550m of new 400mm diameter trunk watermain along Intersection Road, east of Lesperance, including new service connections for existing adjacent homes along Intersection Road;
- Provisions for the replacement of the existing 900mm diameter storm sewer from Shawnee Road to the open municipal drain (Lachance Drain) on the south side of Intersection Road with a new, 1200mm diameter storm sewer;
- Provisions for future trunk wastewater, stormwater and watermain connection stubs to lay groundwork for future development within the THSPA;
- All restoration.

A number of questions were raised during the tender process and several bid takers requested an extension for the tender closing. Following discussions between Senior Administration and the Town’s Consultant, the tender closing date was extended to February 6, 2025.

Six tenders were received on February 6, 2025, and were opened virtually in the presence of the Town’s Purchasing Officer. The Tender results are summarized as follows:

Company Name/Tenderer	Total Tender Price (excluding HST)
Rudak Excavating Inc.	\$12,283,284.00 ¹
Sterling Ridge Infrastructure Inc.	\$12,434,473.80
J&J Lepera Infrastructure Inc.	\$12,679,400.00 ¹
GIP Paving Inc.	\$12,944,000.00

Nabolsy Contracting Inc.	\$15,111,234.80 ¹
SheaRock Construction Group Inc.	\$16,772,080.00 ¹

¹Denotes corrected totals

Mathematical errors were identified in the above noted submitted tenders. These mathematical errors were identified and corrected by Stantec Consulting Ltd., with the respective updates reflected in the above table. The corrected Total Tender Prices did not change the original standing of the Tenderers. There were no significant irregularities identified in the tenders received for this work. Stantec Consulting Ltd.'s February 11, 2025 Tender Review and Recommendation Letter is included as Attachment 1.

Administration, in consultation with Stantec Consulting Ltd., recommends that Council award the Tender for the Tecumseh Hamlet Secondary Plan Area – Northwest Water and Wastewater Infrastructure Project in the amount of \$12,283,284, excluding HST, to Rudak Excavating Inc.

Consultations

Financial Services
 Stantec Consulting Ltd.

Financial Implications

The tendered/projected costs are summarized below:

Cost Item	Amount
Construction (tender)	\$12,283,284
Engineering	\$1,406,206
Archaeological Studies & Indigenous Consultation	\$9,805
Legal Services	\$18,418
Approvals (ERCA)	\$400
Utility Relocation	\$1,500
HEWSF project signs	\$1,856
Budgetary Contingency	\$880,000

Cost Item	Amount
Sub-total	\$14,601,469
Non-rebated HST (1.76%)	\$257,000 ²
Total²	\$14,858,469

² Denotes rounded total

There have been a number of Council reports dating back to 2022 that have amended the phasing and funding structure of this project. Through these reports, the allocation of Lifecycle reserve funding has been adjusted to reflect updated construction costs estimates, project phasing amendments, and most recently grant requirements through the HEWSF. These reports are listed below:

- [Report PWES-2022-27](#), “Amendment to the 2022 PWES Capital Works Projects, Tecumseh Secondary Plan Area – Northwest Water & Wastewater Infrastructure Projects”, June 28, 2022; Motion RCM-199/22.
- [Report PWES-2023-01](#), “2023-2027 Public Works & Engineering Services Five Year Capital Works Plan”, January 26, 2023; Motion RCM-04/23.
- [Report PWES-2024-07](#), “2024-2028 Public Works & Engineering Services Five-Year Capital Works Plan”, February 13, 2024; Motion RCM-21/24.
- [Report PWES-2024-48](#), “Housing-Enabling Water Systems Fund (HEWSF) Tecumseh Hamlet Northwest Trunk Water and Wastewater Infrastructure Project Contribution Agreement”, September 10, 2024; Motion RCM-213/24

As a result of the cumulative recommendations implemented through the above-mentioned reports, the following funding structure has been established and approved by Council for this project:

Lifecycle Reserve Fund	Amount
Wastewater Sewer Reserve Fund	\$18,146,750
Watermain Reserve Fund	\$4,698,573
Road Lifecycle Reserve	\$3,510,000
Storm Sewer Lifecycle Reserve	\$1,350,000
Total	\$27,705,323

Notwithstanding the HEWSF grant awarded, it is customary to request allocation for the full project cost in order to secure authorization to pay for the works upfront and seek reimbursement from the funding agency afterwards. Accordingly, based on the distribution of costs within the tender, reserve funding is to be adjusted as detailed in the following table:

Lifecycle/Reserve Fund	Project Budget	Tendered / Projected Costs	Change
Wastewater Sewers Reserve Fund	\$18,146,750	\$9,415,200	(\$8,731,550)
Watermain Reserve Fund	\$4,698,573	\$4,119,582	(\$578,991)
Road Lifecycle Reserve	\$3,510,000	\$204,946	(\$3,305,054)
Storm Sewer Lifecycle Reserve	\$1,350,000	\$1,118,741	(\$231,259)
Totals	\$27,705,323	\$14,858,469	(\$12,846,854)

The funding and Tender/Projected Costs described above only consider the costs to complete Phase 1 and Phase 2 of the Tecumseh Hamlet Secondary Plan Area – Northwest Water & Wastewater Infrastructure project. Construction of these phases is anticipated to be completed by the end of 2025 to early 2026. Phase 3 and Phase 4, as described previously in this report, will not be constructed at this time and are currently beyond the 2028 planning horizon. Administration will come forward in the future to request additional funding approvals for Phase 3 and Phase 4 when these projects are ready to be advanced.

As previously stated, the Town was successful in a funding application to the Province of Ontario’s 2024 Intake for the Housing-Enabling Water Systems Fund (HEWSF). Based on the updated Tendered/Project Costs, the anticipated contributions for HEWSF and the Town are as follows:

Infrastructure	Tendered / Projected Costs	HESWF (73%)	Town (27%)
Wastewater Sewers	\$9,415,200	\$6,873,096	\$2,542,104
Watermain	\$4,119,582	\$3,007,295	\$1,112,287
Road ³	\$204,946	\$0	\$204,946
Storm ³	\$1,118,741	\$0	\$1,118,741
Totals	\$14,858,469	\$9,880,391	\$4,978,078

³ It should be noted that the Town's HEWSF agreement is specific to the funding of the wastewater and watermain component of this project; road and storm sewer work is not eligible for funding through HEWSF.

As described in the above sections of this report, the current Tendered/Projected Costs for the Tecumseh Hamlet Secondary Plan Area – Northwest Water and Wastewater Infrastructure Project is \$14,858,469 which is \$12,846,854 lower than the total funding previously allotted to this project through the Lifecycle Reserve Funds. This reduction in project costs can be attributed to numerous factors over the life of the project, including:

- Updated project phasing that defers Phases three and four to beyond 2028;
- Unusually large contingency included within budget estimates as required through the grant program;
- Timing of tender prior to busy construction season tends to secure more competitive bidding;
- Test dig performed during the tender period allowed plan takers access to the site, which revealed favourable ground conditions; and
- Greater contractor capacity due to lower volume of local construction activity.

Rudak Excavating Inc's bid of \$12,283,284 is lower than the second tenderer by \$151,189 (1.2%) and is lower than the third tenderer by \$396,116 (3.2%). These tight price ranges between the three lowest total tender prices indicate that the pricing was very competitive.

Link to Strategic Priorities

Applicable	2023-2026 Strategic Priorities
<input checked="" type="checkbox"/>	Sustainable Growth: Achieve prosperity and a livable community through sustainable growth.
<input type="checkbox"/>	Community Health and Inclusion: Integrate community health and inclusion into our places and spaces and everything we do.
<input type="checkbox"/>	Service Experience: Enhance the experience of Team Tecumseh and our citizens through responsive and respectful service.

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:

Shane McVitty, P.Eng.
Development Engineer

Reviewed by:

John Henderson, P.Eng.
Manager Engineering 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

Attachment Number	Attachment Name
1	Tender Review and Recommendation Letter