

# Municipality of Lakeshore – Report to Council

## Operations

## Capital Projects



**To:** Mayor & Members of Council

**From:** Wayne Ormshaw, P.Eng., Division Leader – Capital Projects

**Date:** April 13, 2022

**Subject:** Rourke Line Road Reconstruction and Denis St. Pierre Sewer Outfall Tender Award

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### Recommendation

Approve the tender amount of \$7,960,406.99, including applicable HST, and award the Rourke Line Reconstruction and Denis St Pierre Sewer Outfall construction tender to J&J Lepera Infrastructures Inc. subject to further negotiations with the successful proponent with a contract reduction in the amount of \$1,039,247.41, including HST; and,

Authorize an additional \$791,438.99, including applicable HST to be funded from the roads reserve, as presented at the April 26, 2022 Council meeting.

### Background

Council awarded the construction of the Denis St. Pierre Water Pollution Control Plant (the Plant) expansion on September 16, 2021. The project was executed in the fall of 2021 and is currently under construction with an expected completion in the spring of 2023. This report included the budget related to the Denis St. Pierre Sewer Outfall.

As part of the design for the Plant expansion a separate set of design and tender documents were completed to include for a replacement of the effluent sewer outfall and relocation of a watermain as part of a road reconstruction project along Rourke Line Road from the Plant, heading north toward the lake. The watermain relocation was necessary to accommodate the new sewer outfall location provided by the tender design documents.

Following tender close, Stantec Consulting was contacted to review potential removal of provisional items from the contract, as well as to provide a review of potential contract negotiable items to reduce the overall tender amount. The outcome of this exercise identified an alternative location for the sewer outfall that would provide a potential costs savings of \$1,039,247.41, including applicable HST, through the removal of the watermain relocation item from the project tender.

The new sewer outfall is to be installed below the road grade adjacent to the existing sewer to allow for ongoing operations at the plant. It will be connected to the existing outfall sewer in Rourke Line Parkette and replace the existing diffusers at the existing termination end of the outfall sewer located approximately 750 m from shoreline.

The design documents for Rourke Line Road Reconstruction and Denis St Pierre Sewer Outfall were completed in March of 2022. ERCA and Via Rail permits are anticipated to be available in early May 2022. As a requirement of the tender, construction is required to be completed in the spring of 2023, in line with the completion of the Plant expansion.

The Rourke Line Road Reconstruction and Denis St. Pierre Sewer Outfall tender was publicly advertised on Bids & Tenders on March 15, 2022 and tenders closed on Thursday April 14, 2022.

### Comments

The below tender was received prior to tender closing and opened in accordance with the online bidding process:

<b>Vendor</b>	<b>Price (excluding HST)</b>	<b>Price (including applicable HST)</b>
J&J Lepera Infrastructures Inc.	\$8,844,000.00	\$8,999,654.40

Although only one (1) vendor closed the tender, three (3) other companies began the process of submitting a bid but did not complete the process. All three (3) of the companies were contacted requesting if there were any reason for not completing the bid submission. The reply received from one (1) company cited a lack of available resources to complete the contract if awarded.

Administration is satisfied that J&J Lepera Infrastructures Inc. has the required equipment and labour expertise to undertake this project and recommends the award of the Rourke Line Reconstruction and Denis St Pierre Sewer Outfall construction project to J&J Lepera Infrastructures Inc.

### Others Consulted

Stantec Consulted was consulted as part of this project.

### Financial Impacts

Both the Municipality and the Consultant have identified a continued trend in prices being higher than project estimates as well as a reduction in bidders for infrastructure tenders. The general reasoning for higher prices appears to be due to limited resources and volatile material costs

The watermain relocation item includes a cost of \$1,039,247.41, including applicable HST, within the tender bid value. With the relative items removed from the contract it is expected that a total contract value of \$7,960,406.99, including applicable HST, can be negotiated with the vendor.

The tender was structured with provisional items in many sections in lieu of contingencies and was structured to allow for negotiation with the successful proponent for a reduction of the tendered amount, without penalty.

A detailed breakdown of the project costs and budget are included below:

<b>Rourke Line Road Reconstruction and Denis St Pierre Sewer Outfall</b>	<b>Budget</b>	<b>Total Project Cost (excluding HST)</b>	<b>Total Project Cost (including applicable HST)</b>	<b>Variance</b>
Tender bid		\$8,844,000.00	\$8,999,654.40	
Watermain relocation (to be removed)		(\$1,021,273.00)	(\$1,039,247.41)	
<b>Contract Amount</b>		<b>\$7,822,727.00</b>	<b>\$7,960,406.99</b>	
Outfall Sewer		\$5,739,849.74	\$5,840,871.10	
Approved Outfall Funding – September 14, 2021 Council Report	\$4,800,000.00			
<b>Total Outlet Variance</b>				<b>(\$1,040,871.10)</b>
Road Reconstruction		\$2,082,877.26	\$2,119,353.90	
Approved Funding - 2022 Roads Budget	\$2,368,698.00	,		
<b>Total Road Variance</b>				<b>\$249,162.10</b>
<b>Total</b>	<b>\$7,168,698.00</b>	<b>\$7,822,727.00</b>	<b>\$7,960,406.99</b>	<b>(\$791,438.99)</b>

On-site & Contract administration (Engineering) fees during construction were included in the Denis St. Pierre Plant Expansion budget at the September 14, 2021 Council meeting.

The total shortfall for the Denis St. Pierre outfall is \$1, 040,871.10 to be funded through the DC wastewater reserve fund.

The unspent dollars from the approved roads budget for this project is \$249,162.10 and will go back to the roads reserve.

### Report Approval Details

Document Title:	Tender Award - Rourke Line Road Reconstruction and Denis St Pierre Sewer Outfall .docx
Attachments:	
Final Approval Date:	Apr 21, 2022

This report and all of its attachments were approved and signed as outlined below:

Prepared by Wayne Ormshaw

Submitted by Krystal Kalbol

Approved by Justin Rousseau and Truper McBride