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The Regional Municipality of Durham Report

To: Works Committee
From: Acting Commissioner of Works
Report: #2023-W-29
Date: June 7, 2023

Subject:

Tender Award and Additional Financing for Regional Municipality of Durham Contract #D2023-57 for the Replacement of a Watermain on Simcoe Street from Union Street to 480 Metres South of Union Street, Bay Street from Main Street to Union Street, Church Street from Osborne Street to Mill Street, and Mill Street from Church Street to Bay Street in the Township of Brock (Beaverton)

Recommendation:

The Works Committee recommends to Regional Council:

- A) That Regional Municipality of Durham Contract #D2023-57 be awarded to the lowest compliant bid from Nick Carchidi Excavating Ltd. in the amount of \$4,503,112* for a total estimated project cost of \$6,216,250;
- B) That the previously approved project budget of \$4,281,250 be increased by \$1,935,000 to a revised total project budget of \$6,216,250; and
- C) That additional water supply financing of \$1,935,000 be provided from the following sources:

Previously Approved Financing

Replacement of watermain (K1901/2/3/4/5/6)

Asset Management Reserve Fund

\$4,281,250

Additional Financing

2023 Water Supply Capital Budget

Item No.32, Municipality of Clarington Road Program
(Project ID: C2399)

User Rate \$494,000

Item No.78 Replacement of a watermain on Simcoe St. South
and easement South of Bloor St., Oshawa (Project ID: O1902)

Asset Management Reserve Fund \$135,000

Item No. 79 Replacement of watermain and sanitary sewer on
Olive Ave. from Simcoe St. to Drew St., Oshawa (Project ID: O1903)

User Rate \$385,000

Item No. 109, Replacement of watermain on Jane St. from
Ida St. to 220 m north of Ida St., Sunderland (Project ID: K2101)

Asset Management Reserve Fund \$775,000

Item No. 110, Replacement of watermain on Maple St. from
River St. to dead-end, Sunderland (Project ID: K2102)

Asset Management Reserve Fund \$146,000

Total Additional Financing \$1,935,000

Total Project Financing \$6,216,250

Report:**1. Purpose**

- 1.1 The purpose of this report is to obtain approval for additional financing and to award Regional Municipality of Durham Contract #D2023-57 for the replacement of the watermain on Simcoe Street from Union Street to 480

metres (m) south of Union Street, Bay Street from Main Street to Union Street, Church Street from Osborne Street to Mill Street, and Mill Street from Church Street to Bay Street in the Township of Brock (Beaverton).

- 1.2 Dollar amounts followed by an asterisk (*) are before applicable taxes.

2. Project Background

- 2.1 The Region completed the detailed design for the replacement of a 300-millimetre (mm) PVC watermain on Simcoe Street from 10 m west of Union Street to 330 m east of Madill Street, a 200 mm PVC watermain on Bay Street from Main Street to Union Street, a 150 mm PVC watermain on Mill Street from 20 m North of Bay Street to Church Street, and a 150 mm PVC watermain on Church Street from Mill Street to Osborne Street. The work includes full depth asphalt removal and replacement within the limits of the watermain trench and the replacement of the existing water services to the property line. It is anticipated that construction will commence in the summer of 2023.

3. Tender Information

- 3.1 Four (4) compliant tenders were received for Regional Contract #D2023-57 for the replacement of the watermain on Simcoe Street from Union Street to 480 m south of Union Street, Bay Street from Main Street to Union Street, Church Street from Osborne Street to Mill Street, and Mill Street from Church Street to Bay Street in the Township of Brock (Beaverton) on April 25, 2023, as follows:

Bidder	Total Tender Amount (excluding applicable taxes)
Nick Carchidi Excavating Limited	\$4,503,112
Hard-Co Construction Ltd.	\$5,173,942
Hard Rock Sewer and Watermain	\$7,190,708
Dufferin Construction Company, A Division of CRH Canada Group Inc.	\$7,520,000

3.2 The difference between the tender value and the approved budget is a result of the following factors:

- Contaminated soils have been identified as an existing condition for a portion of the site; surplus soil from trenching for the watermain installation must be disposed of at a licensed landfill site.
- Cost increases for labour, equipment, and material due to inflationary impacts and current market conditions.
- An ongoing investigation into filter media and capacity at the Beaverton Water Supply Plant (WSP) required the construction of the watermain to be staged/sequenced in a manner that would mitigate disruption of water supply to the storage standpipe located at the east limit of Bay Street. The sequencing of the watermain work increased the schedule duration for the Contract.
- The size of the watermain on Bay Street between Main Street and Union Street (~880m length) was increased from 150 mm to 200 mm diameter to improve conveyance capacity within the Beaverton system, particularly the sections of the system that link the standpipe to the WSP. This upsizing of pipe size increased material costs.

3.3 It is recommended that the lowest compliant bidder, Nick Carchidi Excavating Ltd., be awarded Regional Contract #D2023-57.

4. Financial Implications

4.1 Section 15.3 of the Region's Budget Management Policy requires approval of the applicable Standing Committee and Regional Council for additional project financing requirements exceeding \$250,000 prior to the award of the applicable contract.

4.2 The recommended revised project budget of \$6,216,250 can be financed as follows:

Description	Asset Management Reserve Funds \$	User Revenue \$	Total \$
Previously Approved Financing:	-	-	-
Water Supply			
Replacement of watermain on Simcoe St. from Union St. to 480 m south of Union St., Beaverton (Project ID: K1901)	1,037,500	0	1,037,500
Replacement of watermain on Bay St. from Union St. to Osborne St., Beaverton (Project ID: K1902)	806,250	0	806,250
Replacement of watermain on Bay St. from Osborne St. to Mill St., Beaverton (Project ID: K1903)	500,000	0	500,000
Replacement of watermain on Church St. from Osborne St. to Mill St., Beaverton (Project ID: K1904)	712,500	0	712,500
Replacement of watermain on Mill St. from Church St. to Bay St., Beaverton (Project ID: K1905)	481,250	0	481,250
Replacement of watermain on Bay St. from Mill St. to Main St., Beaverton (Project ID: K1906)	743,750	0	743,750
Total Approved Water Supply Financing	<u>4,281,250</u>	<u>0</u>	<u>4,281,250</u>
Additional Financing:			
Municipality of Clarington Road Program (Project ID: C2399)	0	494,000	494,000
Replacement of a watermain on Simcoe St. South and easement South of Bloor St., Oshawa (Project ID: O1902)	135,000	0	135,000
Replacement of watermain and sanitary sewer on Olive Ave. from Simcoe St. to Drew St., Oshawa (Project ID: O1903)	0	385,000	385,000
Replacement of watermain on Jane St. from Ida St. to 220 m north of Ida St., Sunderland (Project ID: K2101)	775,000	0	775,000
Replacement of watermain on Maple St. from River St. to dead-end, Sunderland (Project ID: K2102)	146,000	0	146,000
Total Additional Water Supply Financing	<u>1,056,000</u>	<u>879,000</u>	<u>1,935,000</u>
Total Revised Project Financing	<u>5,337,250</u>	<u>879,000</u>	<u>6,216,250</u>

- 4.3 The projects listed in the table above have been deferred. Financing will be requested as part of the 2024 Business Planning and Budgets process.

5. Conclusion

- 5.1 It is recommended that Regional Council approve the award of Regional Municipality of Durham Contract #D2023-57 for the replacement of the watermain on Simcoe Street from Union Street to 480 metres south of Union Street, Bay Street from Main Street to Union Street, Church Street from Osborne Street to Mill Street, and Mill Street from Church Street to Bay Street in the Township of Brock (Beaverton) to the lowest compliant bidder, Nick Carchidi Excavating Limited.
- 5.2 It is also recommended that additional project financing in the amount of \$1,935,000 be approved as detailed in this report.
- 5.3 This report has been reviewed by the Finance Department and the Commissioner of Finance concurs with the financial recommendations.
- 5.4 For additional information, please contact Dan Waechter, Manager, Construction Management at 905-668-7711, extension 3550.

Respectfully submitted,

Original signed by:

Ramesh Jagannathan
MBA, M.Eng., P.Eng., PTOE
Acting Commissioner of Works

Recommended for Presentation to Committee

Original signed by:

Elaine C. Baxter-Trahair
Chief Administrative Officer