

If this information is required in an accessible format, please contact 1-800-372-1102 ext. 3540.



The Regional Municipality of Durham Report

To: Works Committee
From: Commissioner of Works
Report: #2024-W-15
Date: May 8, 2024

Subject:

Tender Award and Additional Financing for Regional Municipality of Durham Contract #D2023-55 for the Blackstock Well #7 Upgrades in the Township of Scugog (Blackstock)

Recommendations:

That the Works Committee recommends to Regional Council:

- A) That the lowest compliant bid of W.A. Stephenson Mechanical Contractors Limited, in the amount of \$1,591,150, be awarded for Regional Municipality of Durham Contract #D2023-55 for the Blackstock Well #7 Upgrades in the Township of Scugog (Blackstock) for a total project cost of \$3,350,000;
- B) That the previously approved project budget of \$2,750,000 for Regional Municipality of Durham Contract #D2023-55 be increased by \$600,000 to a revised total project budget of \$3,350,000; and
- C) That the additional financing of \$600,000 be provided from the following sources:

Previously Approved Financing

Water Supply Capital Budget

Blackstock Well #7 Upgrades, Project ID# D1838

Water Asset Management Reserve Fund
User Revenue

\$100,000
2,650,000

Total Previously Approved Financing	2,750,000
-------------------------------------	-----------

Additional Financing

Item #123: Watermain on Bickle Drive and Roselawn Avenue,
Oshawa (Sun Valley) (Project ID# O2305)

User Revenue	<u>600,000</u>
--------------	----------------

Total Additional Financing	<u>600,000</u>
----------------------------	----------------

Total Revised Project Financing	<u>\$3,350,000</u>
--	---------------------------

Report:**1. Purpose**

- 1.1 The purpose of this report is to obtain approval for additional financing and to award Regional Municipality of Durham (Durham) Contract #D2023-55 for the Blackstock Well #7 Upgrades in the Township of Scugog (Blackstock).

2. Project Background

- 2.1 The Blackstock Drinking Water System provides potable water to consumers in the Blackstock area. Blackstock has two municipal wells, numbers 7 and 8. Blackstock is a Class Two Distribution and Supply System with an approved combined capacity of 994 cubic metres per day (m³/d).
- 2.2 The upgrade works required to be completed at Blackstock Well #7 include rehabilitation work, installation of a new pump, upgrading of equipment, Supervisory and Data Acquisition Control Program (SCADA) integration, electrical upgrades, and the replacement of the header and associated piping. The Blackstock Well #7 upgrade project builds redundancy into the Blackstock water supply system by ensuring that there are two functioning wells operating within the system. Updates to major system components incorporated into this project will make the water supply system more resilient and extend the overall life cycle of the well.

3. Tender Information

- 3.1 Tenders were received for Regional Contract #D2023-55 for the Blackstock Well #7 Upgrades in the Township of Scugog (Blackstock) on March 28, 2024, with five compliant bids. The tenders received are as follows:

Bidder	Total Tender Amount (excluding applicable taxes)
W.A. Stephenson Mechanical Contractors Limited	\$ 1,591,150
BGL Contractors Corp	\$ 1,594,400
Peak Construction Group Ltd.	\$ 1,641,900
Strong Bros. General Contracting Ltd.	\$ 1,989,333
Talon Industries Inc.	\$ 2,702,000

- 3.2 The total approved budget for the project is \$2,750,000. The lowest compliant bid amount for the project plus engineering and contract administration services, Regional internal costs, and contingencies total \$3,350,000. Therefore, the project will require additional financing of \$600,000. The difference between the tendered and budgeted amounts is due to the continued market uncertainty caused by supply chain issues, the volume of capital works projects being tendered by municipalities, cost increases for labour and equipment and increase in unit costs for materials such as stainless-steel pipe and fittings, vertical turbine pumps and process piping valves.
- 3.3 It is recommended that the lowest compliant bidder, W.A. Stephenson Mechanical Contractors Limited, be awarded Regional Contract #D2023-55.

4. Financial Implications

- 4.1 Section 15.3 of Durham Region's Budget Management Policy states that the 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 is required
- 4.2 Financing for the award of Regional Contract #D2023-55 for the Blackstock Well #7 Upgrades in the Township of Scugog (Blackstock) will be provided from the following sources:

Previously Approved Financing

Water Supply Capital Budget	
Blackstock Well #7 Upgrades, Project ID# D1838	
Water Asset Management Reserve Fund	\$100,000

User Revenue	<u>2,650,000</u>
--------------	------------------

Total Previously Approved Financing	\$2,750,000
-------------------------------------	-------------

Additional Financing

Item #123 - Watermain on Bickle Drive and Roselawn Avenue, Oshawa (Sun Valley) (Project ID# O2305)

User Revenue	<u>600,000</u>
--------------	----------------

Total Additional Financing	<u>600,000</u>
----------------------------	----------------

Total Revised Project Financing	<u>\$3,350,000</u>
--	---------------------------

- 4.3 The City of Oshawa has deferred the watermain project on Bickle Drive and Roselawn Avenue, Oshawa (Sun Valley) (Project ID# O2305) to fund other priority projects. Financing for the deferred project will be requested as part of the 2025 Business Plans and Budget process.

5. Conclusion

- 5.1 It is recommended that Regional Council grant approval to award the Regional Municipality of Durham Contract #D2023-55 to the lowest compliant bidder, W.A. Stephenson Mechanical Contractors Limited the Blackstock Well #7 Upgrades in the Township of Scugog (Blackstock)
- 5.2 It is also recommended that additional financing of \$600,000 be approved.
- 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, P.Eng., Acting Director, Transportation and Field Services at 905-668-4113, extension 3550.

Respectfully submitted,

Original signed by:

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

Recommended for Presentation to Committee

Original signed by:

Elaine C. Baxter-Trahair
Chief Administrative Officer