

COMMUNICATION 136039

Received From: Mike Walker, Development Review Officer
Addressed To: Committee of the Whole
Date: April 22, 2025
Topic: DS2-2025-Sanitary Sewer Upsizing Project

BACKGROUND

The approved 2025 water and sewer capital budget allocates \$401,574 for the Town's Sanitary Sewer Upsizing Project 26. These funds are designated for construction, inspection, project management, soil testing, permits and a contingency amount to address any change orders which may arise during the project construction. The project involves replacing a 300 mm diameter sanitary sewer with a 400 mm diameter pipe that extends along the drive aisle of the Independent Grocer and proceeds westerly across McNeely Avenue. This is a development-driven project which is required to support future development applications along Franktown Road and commercial properties along Highway 7.

Project 26 was included in the restated Core Servicing Cost-Sharing By-law 61-2022 that derived from the Highway 7 cost sharing agreement executed in 2021 between the Town and multiple developers. As outlined in the cost-sharing arrangement, the Town was designated as the project's initial funder with funds expected to be recovered by property owners along Franktown Road and Highway 7 once development occurs, as these properties will directly benefit from and necessitate the sewer upsizing.

DISCUSSION

Tender DS2-2025 Sewer Upsizing Project was posted on MERX, for a period of four (4) weeks. A total of five (5) tender submissions were received at the time of closing. The results received were as follows:

Name of Company	Bid Price without HST	Bid Price with HST
Louis W. Bray Construction Limited	\$ 1,551,791.00	\$ 1,753,523.83
TJL Construction LMT.	\$ 1,139,915.00	\$ 1,288,103.95
In Depth Contracting	\$ 1,753,221.00	\$ 1,981,139.73
Cavanagh Construction LMT.	\$ 1,164,300.00	\$ 1,315,659.00
Akman Construction	\$ 1,202,212.25	\$ 1,358,499.84

Unfortunately, the lowest bidder did not meet the requirements outlined in the tender documents therefore, staff could not accept their submission.

TEMPORARY ACCESS AGREEMENT

Additionally, the sewer being replaced is located on Choice Properties' site (Independent Grocer) within a legal easement that grants the Town the right to enter,

construct, maintain, inspect, reconstruct, or replace the sewer. The Town requires a designated staging area for the contractor to place equipment and materials on-site, outside of the legal easement boundaries. Choice Properties has agreed to provide space on its property provided the Town executes a "Temporary Access Agreement," which includes compensation of \$1,800.00 plus HST per month of use and an initial access fee of \$2,500.00 plus HST. These costs are listed in Table 1 below and are included in the project's overall costs as "staging fees."

FINANCIAL IMPLICATIONS

In June 2024, staff tendered this project, but the prices came in over the Town's budget of \$401,574. At that point, Council directed staff to either explore alternative funding options or wait 3-5 years for the Town to accumulate sufficient funds to complete the project. Staff have now successfully secured a front-end funding agreement with two (2) developers. The Town's contribution to the project will remain the previously approved amount of \$401,574, which has been included in the budget since 2018. The remaining project cost, totaling \$1,166,472.08 as shown in Table 1, will be covered by the two (2) developers' initial funding payments in accordance with the terms of the front-ending agreement.

Table 1-Project Total Cost

Items	Cost
JLR Sewer Modelling	\$5,961.00
Tender Bid	\$1,164,300.00
MVCA Permit	\$280.00
MTO Permit	\$500.00
Design and Schedule of Items	\$5,525.00
Project managing	\$97,050.00
Staging fee's (3 months)	\$7,900.00
Soil testing	\$3,100.00
Subtotal	\$1,284,616.00
HST	\$167,000.08
Contingency (10%)	\$116,430.00
Total	\$1,568,046.08
Minus Town funding	\$401,574.00
Initial Funding Estimate	\$1,166,472.08

RECOMMENDATION

THAT Council approves awarding Tender DS2-2025 Sanitary Sewer Upsizing Project to Thomas Cavanagh Construction Limited in the amount of \$1,164,300.00 plus HST in accordance with the Development Review Officer's Report dated April 22, 2025; and

THAT Council pass the necessary by-law authorizing entering into a "Temporary Access Agreement" with Choice Properties.