

Municipality of Chatham-Kent
Infrastructure and Engineering Services
Engineering and Transportation Division

To: Mayor and Members of Council

From: Chris Thibert, P.Eng.
Director, Engineering and Transportation

Date: June 18, 2018

Subject: Tender Award, Contract #T18-192 Kerr Avenue, McKinnon Drive and Warwick Drive Sewer Separation, Community of Chatham

Recommendations

It is recommended that:

1. The tender in the amount of \$4,914,507.13 including HST for the Kerr Avenue, McKinnon Drive and Warwick Drive Sewer Separation, Community of Chatham be awarded to Henry Heyink Construction Ltd.
2. The Mayor and Clerk be authorized to sign the necessary agreements.

Background

In the summer of 2016, a number of residents on Warwick Drive experienced flooding issues due to structural and operational issues with the existing combined sewer network. Inspections were completed and a blockage was removed. There have been no issues since that time but it was determined that the overall condition of the sewer was poor. All three streets are operating without dedicated storm sewers, which can lead to overloading of the combined sewers during storm events. This project area is the only portion of combined sewers remaining in this catchment area.

The Engineering and Transportation Division reviews lifecycle requirements regularly and it was determined that this project would be part of the 2018 construction season. This project is to be part of the 2018 PUC Watermain Lifecycle Budget and the 2018 PUC Sanitary Sewer Lifecycle Budget by the Public Utilities Commission (PUC), as well as the 2018 Storm Sewer Lifecycle Budget and the 2018 Road Resurfacing Lifecycle Budget. The engineering, contract administration and inspection on this project are being carried out by R.C. Spencer Associates Inc. A tender was issued by R.C. Spencer for the construction of this project.

Comments

The sanitary sewer portion of the project consists of approximately 830 metres of 250mm to 300mm diameter PVC sewer pipe and 8 manholes, all to be replaced. A total of 90 lateral service connections will be installed.

The storm sewer portion of the project consists of approximately 760 metres of 200mm to 600mm diameter PVC and concrete sewer pipe, 9 manholes and 47 catch basins, all to be replaced. A total of 104 lateral service connections will be installed.

The watermain portion of the project consists of approximately 985 metres of 150mm diameter PVC pipe. A total of 99 water service connections along with 8 fire hydrants will be replaced.

The concrete curbs, concrete sidewalk and the paved road will be replaced as part of the re-construction.

R.C. Spencer's most recent estimate for construction was for \$4,592,571.99 including contingency and HST.

The Purchasing Officer received and opened tenders for the work on Thursday, June 14, 2018. The results are as follows:

**Contract T18-192
Kerr Avenue, McKinnon Drive and Warwick Drive Sewer Separation
Community of Chatham**

Rank	Tenderer	Tender Amount includes HST
1	Henry Heyink Construction Ltd. Chatham, Ontario	\$4,914,507.13
2	Clarke Construction Inc. Blenheim, Ontario	\$5,744,920.00

R.C. Spencer has reviewed the tenders and found them to be complete in all respects. It is the recommendation herein that the contract be awarded to Henry Heyink Construction Ltd, who submitted the lowest tender bid, Appendix A.

The lowest bid is \$321,935.14 more than the estimate provided by R.C. Spencer which is 7%. Which is in acceptable parameters and will not have a negative impact on the 2018 Lifecycle projects budget.

The project construction should commence in August of 2018 and be completed by the end of June 2019.

Areas of Strategic Focus and Critical Success Factors

The recommendations in this report supports the following areas of strategic focus:

Economic Prosperity:

Chatham-Kent is an innovative and thriving community with a diversified economy

A Healthy and Safe Community:

Chatham-Kent is a healthy and safe community with sustainable population growth

People and Culture:

Chatham-Kent is recognized as a culturally vibrant, dynamic, and creative community

Environmental Sustainability:

Chatham-Kent is a community that is environmentally sustainable and promotes stewardship of our natural resources

The recommendations in this report supports the following critical success factors:

Financial Sustainability:

The Corporation of the Municipality of Chatham-Kent is financially sustainable

Open, Transparent and Effective Governance:

The Corporation of the Municipality of Chatham-Kent is open, transparent and effectively governed with efficient and bold, visionary leadership

Has the potential to support all areas of strategic focus & critical success factors

Neutral issues (does not support negatively or positively)

Consultation

The tenders were opened by the Purchasing Officer and reviewed by the Engineering and Transportation Division, Infrastructure and Engineering Services and by R.C. Spencer Associates.

The General Manager of the Chatham-Kent PUC and the Purchasing Officer were consulted in the preparation of this report.

Financial Implications

The project is being funded through the 2018 PUC Watermain and Sanitary Sewer Lifecycle Budgets by the Public Utilities Commission (PUC) and the 2018 Road and Storm Sewer Lifecycle Budgets.

The project summary is set out in the following table.

**Contract T18-192
Kerr Avenue, McKinnon Drive and Warwick Drive Sewer Separation
Community of Chatham**

	Description	Total
(A) Project Costs	Low Tender, w/ HST	\$4,914,507.13
	Engineering & Admin w/ HST	\$200,688.00
	Less HST Rebate 11.24%	\$508,803.48
	Project Total	\$4,606,391.65
	Description	Total
(B) Project Funding	2018 Water Lifecycle Budget	1,197,661.83
	2018 Sanitary Lifecycle Budget	1,005,575.30
	2018 Storm Lifecycle Budget	1,978,905.85
	2018 Road Lifecycle Budget	424,248.67
	Total Funding	4,606,391.65

Tender Award:
Contract T18-192 Kerr Avenue, McKinnon Drive and
Warwick Drive Sewer Separation, Community of Chatham

Prepared by:

Reviewed by:

Debbie Cooper, C.Tech
Engineering Technologist
Engineering and Transportation

Chris Thibert, P.Eng.
Director
Engineering and Transportation

Reviewed by:

Thomas Kelly, P.Eng., MBA
General Manager
Infrastructure and Engineering Services

Consulted and confirmed the content of the consultation section of the report by:

Tim Sunderland
General Manager
Chatham-Kent Public Utilities Commission

Jennifer Scherle
Purchasing Officer
Financial Services

Attachment: Appendix A Consultant's Letter of Recommendation

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McKinnon Drive and Warwick Drive Sewer Separation community of Chatham.docx



RC SPENCER ASSOCIATES INC.
Consulting Engineers

14 June 2018
File No.: 17-700

Municipality of Chatham-Kent
Engineering & Transportation Division
315 King Street West
Chatham, ON
N7M 5K8

Attn: Debbie Cooper, C.Tech
Engineering Technologist

Re: Kerr Avenue, McKinnon Drive and Warwick Drive Sewer Separation
Municipality of Chatham-Kent

Dear Debbie:

Tenders were opened today for the above-noted project. The results in ascending order are as follows:

<u>Tenderer</u>	<u>Tender Amount</u>
Henry Heyink Construction Ltd.	\$ 4,349,121.35
Clarke Construction Inc.	\$ 5,084,000.00

We have checked the Tender submissions and determined that there are no mathematical errors made. We enclose a copy of our cost matrix for your records.

We therefore recommend that the Municipality accept the low tender submitted by Henry Heyink Construction Ltd., in the amount of \$4,349,121.35 plus H.S.T.

Yours Truly,
RC Spencer Associates Inc.

Richard C. Spencer, M.A.Sc., P.Eng.
President

cc: Stephen Jahns

