

**THE CORPORATION OF THE TOWN OF GEORGINA**

**REPORT NO. OI-2022-0020**

**FOR THE CONSIDERATION OF  
COUNCIL**

November 30, 2022

**SUBJECT: AWARD OF CONTRACT OID2022-047 CONSTRUCTION SERVICES  
FOR POLYBUTYLENE WATER SERVICE REPLACEMENTS**

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**1. RECOMMENDATION:**

1. That Council receive Report No. OI-2022-0020 prepared by the Capital Delivery Division, Operations & Infrastructure Department dated September 28, 2022 regarding the award of the construction of the Polybutylene Water Service Connection Replacement;
2. That Council provide advanced approval of \$400,000.00 of additional capital funding for the polybutylene water service replacement program as a high-priority construction project for 2023 described in Business Case 23-CI-WAT-2 which is included in the draft 2023 Capital Budget;
3. That Council approve the award of the contract for construction services for the Polybutylene Water Service Connection Replacement to Municipal Utility Division Inc., in the amount of \$942,430.00 (excluding HST); and,
4. That Council authorize the Manager of Procurement Services to execute the agreement between the Town of Georgina and Municipal Utility Division and execute all other necessary documents.

**2. PURPOSE:**

To obtain Council approval to award Contract OID2022-047 in the amount of \$942,430.00 (excluding HST), for construction services to replace polybutylene water service connections that have come to the end of their useful service life.

**3. BACKGROUND:**

The Operations and Infrastructure Department is responsible for maintaining the Town of Georgina's Keswick and Sutton Water Distribution Systems, including necessary preventative maintenance and infrastructure replacement projects.

Polybutylene water service connections installed in the 1980s have reached the end of their expected service life and are beginning to fail. These service connections need to be replaced to eliminate water leaks and reduce service disruptions. The Town has identified areas in Keswick where polybutylene water services were installed. A multi-year replacement program has been proposed to make this process more efficient,

rather than replacing the services individually as they fail. This is the first construction contract to be awarded in the program.

Through Council Resolution C-2021-0095, Council approved the award of engineering services for the detailed design, contract administration and inspection of polybutylene water connection services to Chisholm Fleming & Associates (CFA). CFA has prepared tender packages for three (3) construction contract areas; that include:

Contract A: Hollywood Drive and Tampa Drive

Contract B: Bayview Avenue, Elmhurst Lane, Royal Road, and Love's Road

Contract C: Lake Drive South

This construction contract will replace a total 107 polybutylene services which service Hollywood Drive and Tampa Drive in Keswick (Contract A). Additional business cases to complete construction Contracts B and C will be added through the capital budget cycle in order to obtain budget approval for the remaining construction contracts.

#### **4. ANALYSIS:**

Request for Tender (RFT) OID-2022-047 was released on August 19, 2022 and closed on September 14, 2022. There were nine (9) document takers and one (1) bid received. The following table indicates the bid prices received from qualified bidders.

Respondent	Value (excl. HST)
Municipal Utility Division Inc.	\$942,430.00

Municipal Utility Division Inc. met all the technical requirements of the RFT and represents the best value to the Town.

Due to the time required to seek additional budget approval, Town staff have confirmed that the successful contractor has agreed to extend the validity period of their bid until December 23, 2022.

#### **5. RELATIONSHIP TO STRATEGIC PLAN:**

PRIORITY 4: "Deliver Exceptional Service" - Manage our finances and assets proactively

This initiative aligns with the Town's 2022 Asset Management Plan for core assets, to ensure a systematic and coordinated approach of activities and practices to optimally and sustainably deliver on its service level objectives through the cost-effective lifecycle management of assets.

## 6. **FINANCIAL AND BUDGETARY IMPACT:**

Capital project 20-WAT-5 was approved by Council in 2020 for the detailed design, contract administration, inspection, and construction of the polybutylene water service connection replacements. The approved budget was \$500,000. The award of contract for engineering design, contract administration, and inspection to CFA was \$367,939.51 excl. HST. During the detailed design, there was two (2) approved change orders added to the project for a total of \$11,902 excl. HST. The purpose of the two (2) changes orders was to include an arborist assessment of the existing trees and to include the replacement of the water connection services on Love's Road; which is a short cul-de-sac located off Bayview Avenue.

Capital project 22-CI-WAT-01 was approved by Council in 2022 for purposes of budgeting for one (1) construction contract identified through the detailed design process. The approved budget was \$500,000.00, and considered the available carry-over of 20-WAT-5.

The lowest qualified bidder for OID2022-047 Polybutylene Replacements Construction Contract was Municipal Utility Division Inc., at a value of \$942,430.00 excl. HST. The exceedance of the previously budgeted amount, and lack of submitted bids, is reflective of the increased levels of construction demand throughout Ontario, and particularly in the Greater Toronto Area.

The draft 2023 Capital Budget includes a request for \$400,000.00 of additional funds for the Polybutylene Service Replacement Program in Business Case 23-CI-WAT-2. The requested funding will be sufficient for the award of Contract OID2022-047 and will provide additional funding for the next stage of this annual program. It is anticipated that Council will be in a position to approve the draft 2023 Capital Budget by January 25, 2023. Council's advanced approval of the funding as requested herein will allow award and execution of the Contract, ordering of materials and mobilization to allow construction work to proceed expeditiously as weather permits, in 2023. It is requested that Council provide advanced approval of the necessary funding of Business Case 23-CI-WAT-2 and authorize award and execution of Contract OID2022-047, given its pending expiry on December 23, 2022.

The below table outlines the committed funds, the requested advanced capital budget approval, the proposed contract award, and remaining funds.

<b>Item</b>	<b>Amount (\$ incl 1.76% HST)</b>
Approved Total Budget (20-WAT-5 & 22-CI-WAT-01)	\$1,000,000.00
Advanced Approval of Business Case 23-CI-WAT-2	\$400,000.00
OID2020-074 Chisholm Fleming & Associates, Detailed Design, Contract Administration & Inspection	(\$374,415.25)
OID2020-074 Chisholm Fleming & Associates, Change Orders 1 & 2	(\$12,111.48)

Award of OID2022-047 Polybutylene Replacements Construction Contract	(\$959,016.77)
Budget Remaining	\$54,456.50

Staff anticipate future estimates and capital budget requests to be more accurate and based upon the recent per replacement unit pricing received. The budget remaining will be rolled into future construction projects.

## **7. PUBLIC CONSULTATION AND NOTICE REQUIREMENTS:**

Throughout the design project, residents were sent letters informing them of ongoing field investigations.

Throughout the upcoming construction contract, residents will be notified of the project, its local impacts, and any potential water service interruptions. Residents will have short interruptions to their water service as their services are switched from the existing polybutylene to the new copper services. Residents will be informed prior to the water service interruption, and will have Town staff, contractor, and consultant contact information in the event of an unexpected disruption. Site signage will be erected indicating limited project details.

## **8. CONCLUSION:**

Award of the contract for construction services for the Polybutylene Replacements Construction Contract to Municipal Utility Division Inc. will allow the existing failing polybutylene water service connections to be replaced with current standard copper services.

## **APPROVALS**

Prepared By:	Owen Sanders, P. Eng, Senior Project Manager
Reviewed By:	Neil MacDonald, P. Eng, Manager, Capital Delivery
Recommended By:	Michael Vos, Director, Operations & Infrastructure
Approved By:	Ryan Cronsberry, Chief Administrative Officer