

TO: GENERAL COMMITTEE

SUBJECT: ROYAL OAK DRIVE-BAY LANE-GABLE'S PARK RECOVERY OF SANITARY SERVICING COSTS, WATER SERVICING COSTS AND TENDER AWARD OF CONTRACT 2016-001T

WARD: 8

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SENIOR PROJECT ENGINEER (Ext.4493) *443 SP*

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GENERAL MANAGER OF INFRASTRUCTURE & GROWTH MANAGEMENT *[Signature]*

CHIEF ADMINISTRATIVE OFFICER APPROVAL: C. LADD
CHIEF ADMINISTRATIVE OFFICER *[Signature]*

RECOMMENDED MOTION

1. That the Director of Finance be authorized to issue 10-year debentures for the owners' share of the sanitary sewer works and water works.
2. That Contract 2016-001T, for Royal Oak Drive Urbanization/Gable's Park, Part 1 be awarded to Arnott Construction Ltd. in accordance with their tender dated May 17, 2016, in the amount of \$1,673,000.00, excluding HST.

PURPOSE & BACKGROUND

3. The purpose of this report is to obtain authority and funding to proceed with the recovery of a proportional share from the benefitting landowners for the capital costs for installing sanitary servicing and water servicing.
4. The project area is illustrated in Appendix A. There is no existing sanitary sewer or watermain to the east of Brennan Avenue and within Gables Park. The Royal Oak area is not currently serviced by sanitary sewer but does have municipal water servicing.
5. On March 4, 2013, Council adopted Motion 13-G-045 (see attached in Appendix B) indicating a by-law be prepared to authorize the installation of sanitary sewer services on Bay Lane, Cottage Lane, Gable's Park, Royal Oak Drive, Forestwood Lane, Lovers Court, and parts of Tollendal Mill Road, and the recovery of the capital cost connected therewith by imposing a sanitary sewer rate under Section 326 of the Municipal Act 2001. The same motion dealt with installation of water services on Bay Lane, Cottage Lane, Gable's Park, and the recovery of the capital cost connected therewith by imposing a water rate under Section 326 of the Municipal Act 2001.
6. The work associated with the Royal Oak Drive Urbanization/Gable's Park contract has been divided into two contracts:
 - a) Contract 1 includes the sanitary sewer and watermain work on Brennan Avenue and through Gable's Park.

- b) Contract 2 Includes:
 - i) the work from Brennan Avenue to Bay Lane (i.e. through the private property on Bay Lane that has 10 homes);
 - ii) the sanitary sewer work and urbanization on Royal Oak Drive, Forestwood Lane and Lovers Court; the sanitary sewer work and sidewalk on the section of Tollendal Mill Road that fronts the Royal Oak Drive Subdivision; and
 - iii) this second contract is scheduled to occur in 2017-2018, in concert with the Capital Plan and Budget.
7. Easements are required to extend the sanitary sewermain and watermain:
 - a) From Brennan Avenue to Bay Lane (2 easements); and
 - b) From the east limit of Gable's Park to Royal Oak Drive (1 easement).
8. Tenders for Contract 2016-001T Royal Oak Drive Urbanization /Gable's Park, Part 1 closed on May 17, 2016 at 2:00 p.m. One (1) tender was received and opened on May 17, 2016 at 2:15 p.m. It was submitted by Arnott Construction Ltd., and its value is \$1,673,000.00.
9. Arnott's tender was reviewed and found to be compliant and in good order.
10. The Engineering Department estimate for the work was \$1,600,000.

ANALYSIS

11. Arnott Construction Ltd. (Arnott) has successfully completed Essa Road Improvements (Ferndale Drive southerly to Coughlin Road); and, Ross Street Reconstruction, Contract 2012-060T. Arnott has the resources and experience to complete the work in this contract, Contract 2016-001T.
12. The Engineering Department recommends the award of Contract 2016-001T to Arnott.
13. Notices were sent out in letters dated June 14, 2016 to all property owners in the area advising of:
 - a) The proposed sanitary sewer and services works;
 - b) The proposed water main and services works;
 - c) The estimated payment amounts based on the tendered prices for Part 1 Work (Contract 2016-001T); and
 - d) Procedures for making an oral or written deputation to Council if individual property owners were opposed to proceeding to construction.

14. Based on the tender prices received for Contract 2016-001T plus the available budget for Part 2 Work, the project costs are 100% of the budgeted values. A summary of the project costs are in the following table.

Total Tender Price (Excluding HST)	\$1,673,000
Construction Contingencies	\$167,300
HST non recoverable (1.76%)	\$32,389
Engineering Design	\$623,275
Application Fees	\$1,100
Easements Acquisition and Legal Surveys	\$171,157
Contract Administration, Inspection, Material Testing (Contract 2016-001T)	\$93,634
Utility Relocations	\$105,000
Committed Part 2 Contract Work	\$9,854,144
Available Budget	
TOTAL PROJECT WORK	\$12,721,000

15. Project funding details are provided in Appendix C.
16. Based on the tender prices received for Contract 2016-001T plus the available budget for Part 2 Work, and based on the property frontages owned by the Private Property owners and the Corporation of the City of Barrie (Barrie), the costs are distributed as shown in the following table.

Servicing Costs Debentured		
	Costs	Percent
Sanitary Servicing		
- Private Property Owners	\$1,486,790	49.8%
- City of Barrie	\$1,498,210	50.2%
Total Sanitary Servicing	\$2,985,000	100.0%
Water Servicing		
- Private Property Owners	\$247,482	18.1%
- City of Barrie	\$1,123,518	81.9%
Total Water Servicing	\$1,371,000	100.0%

17. The total project cost, excluding HST and including construction, engineering, contract administration, site inspection, utility relocations, property and easement acquisitions, contingencies, and the currently estimated cost for Part 2 work is \$14,155,756. The total approved budget is \$12,721,000. After tenders are received for Part 2 Work, the project costs will be updated and similar notices will be sent with the updated costs. A staff report will be required to award the Part 2 Work because it will be funded with debentured funds. If additional funds are required for the project, it will be requested in that same staff report or the Capital Status Report.
18. Following construction of Part 2 Work in 2018, letters will be sent to property owners in 2019 with actual costs and payment option details.

ENVIRONMENTAL MATTERS

19. The City of Barrie's continued efforts in reducing phosphorus loads to Lake Simcoe through the removal of private septic systems demonstrates an environmental commitment by the City to making a positive change within the Lake Simcoe Watershed and ensures that the City stays at the forefront of environmental issues that affect Lake Simcoe.
20. The new domestic watermain will reduce the use of private wells thereby increasing the water quality security of the water supply for abutting properties.

ALTERNATIVES

21. The following Alternative is available for consideration by General Committee:

Alternative #1 General Committee could elect to not award the contract to Arnott.

This Alternative is not recommended as it would not be consistent with the timing of available funds in the 2016 Capital Budget and Business Plan.

FINANCIAL

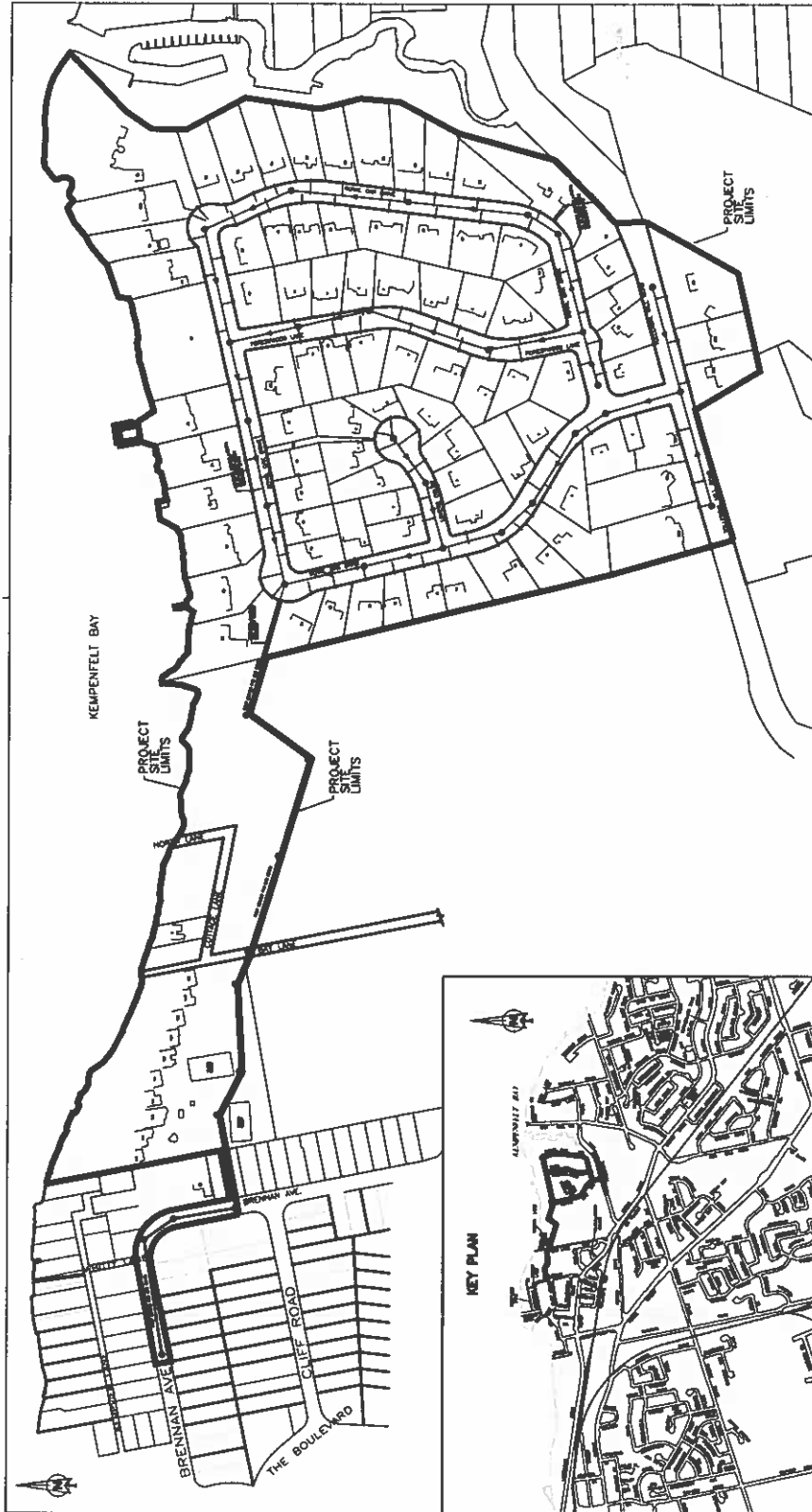
22. A letter notifying residents and property owners of the project was issued by postal mail on June 10, 2016. Council members received a copy of the letter. The estimated frontage costs and lateral costs based on actual tender costs for Part 1 Work and available budget for Part 2 Work are:
 - a) Sanitary: Frontage Cost = \$525.00/m; Lateral Cost = \$900.00/lateral
 - b) Water: Frontage Cost = \$1,150.00/m; Lateral Cost = \$2,600/lateral
23. This report addresses the tender for Phase 1 of 2. Both phases are included in the overall approved budget for this project and there are no amendments to the budget being requested at this time.
24. The total domestic water servicing cost, including the watermain being replaced in the Royal Oak Drive subdivision, is estimated at \$1,371,000 and it is anticipated that \$247,482 will be recovered from benefiting property owners. The sanitary servicing cost is estimated at \$2,985,000 and it is anticipated that \$1,486,790 will be recovered from benefiting property owners.
25. Debentures for the owners' share of Phase 1 and 2 are currently estimated at \$1,486,790 for sanitary sewer works and \$247,482 for water works. The final amount of the debenture will not be known until the project is complete.
26. The owners' share of the cost of a work undertaken as a local improvement is to be added back to any reduction in the municipality's annual repayment limit on account of that work. As a result, any debt servicing costs incurred for this purpose will not have an adverse impact on the City's unused annual repayment limit.

LINKAGE TO 2014 – 2018 COUNCIL STRATEGIC PLAN

27. The recommendation(s) included in this Staff Report support the following goals identified in the 2014-2018 Strategic Plan:
- Responsible Spending
28. The recommendations will provide:
- a) A sanitary sewer collection system for waterfront properties and properties near the waterfront in the Bay Lane and Royal Oak Drive neighbourhoods, to reduce the potential impacts due to the private sanitary collection systems and improve the environment of the Lake Simcoe Watershed.
 - b) Municipal water supply to properties that currently depend on private wells for water supply. This provides a more secure water supply for the residents within the City.

APPENDIX "A"

Project Site



APPENDIX "B"

Recommendations for By-laws Adopted in Motion 13-G-045

1. That a by-law be prepared to authorize the recovery of capital costs for the installation of sanitary servicing on Bay Lane, Cottage Lane, Gables Park, Royal Oak Drive, Forestwood Lane, Lovers Court and Tollendal Mill Road, as outlined in Staff Report ENG003-13, through the collection of a per metre frontage charge plus lateral costs for benefiting properties abutting the proposed new sections of sanitary sewer, as provided under Section 326 of the Municipal Act, with the option of payment of the sanitary charges over a 10 year period with interest.
2. That a by-law be prepared to authorize the recovery of capital costs for the installation of water servicing on Bay Lane, Cottage Lane, and Gables Park, as outlined in Staff Report ENG003-13, through the collection of a per metre frontage charge plus lateral costs for benefiting properties abutting the proposed new sections of watermain, as provided under Section 326 of the Municipal Act, with the option of payment of the water charges over a 10 year period interest free.
3. That 101-119 Bay Lane be assessed costs based on its full frontage for sanitary servicing and water servicing and on servicing the 10 houses on the lot with 10 sanitary services and 10 water services.
4. That staff be authorized to prepare construction contract drawings, including detailed design drawings for water servicing (per Staff Report ENG003-13), with a design cost of \$36,000, on Bay Lane, Cottage Lane, Gables Park and utility corridor easements. Bay Lane, Cottage Lane, Gables Park and utility corridor easements will be restored to their original condition. That this change in project scope be funded from the Water Reserve Fund (12-05-0580).
5. That staff be authorized to prepare construction contract drawings, including detailed design drawings for a two lane/8.5 metre wide urbanized roadway including storm sewer, curb and gutters, boulevard works, sidewalks and street lighting (per Staff Report ENG003-13), with a design cost of \$120,000, on Royal Oak Drive, Forestwood Lane, and Lovers Court. That this change in project scope be funded from the Tax Capital Reserve (13-04-0440).
6. That staff be authorized to prepare construction contract drawings, including detailed design drawings for a sidewalk (per Staff Report ENG003-13), on Tollendal Mill Road extending from Royal Oak Drive westerly to the sidewalk that extends from Hurst Drive on Tollendal Mill Road, with a design cost of \$5,000. That this change in project scope be funded from the Tax Capital Reserve (13-04-0440).
7. That staff in the Legal Services Department be authorized to commence acquisition of any required easements and/or property.

APPENDIX "C"
CURRENT FUNDING

Component	Sanitary Servicing - Royal Oak, Bay, Cottage						TOTAL
	STREETLIGHTS	ROADS	SANITARY	STORM	SIDEWALKS	WATER	
Account Numbers	14-16-2363-1385	14-16-2510-1385	14-16-2515-1385	14-16-2520-1385	14-16-2525-1385	14-16-2535-1385	
2012							
Tax Capital Reserve							
Tax Debt							
Debentures							
Water Rate							
Wastewater Rate			150,000				150,000
2013							
Tax Capital Reserve	15,000	105,000			5,000		125,000
Tax Debt							-
Debentures							-
Water Rate						36,000	36,000
Wastewater Rate			160,000				160,000
2015							
Tax Capital Reserve							-
Tax Debt							-
Debentures							-
Water Rate						35,000	35,000
Wastewater Rate			275,000				275,000
2016							
Tax Capital Reserve				50,000			50,000
Debenture Proceeds		550,000					550,000
Local Improvements			101,848			78,640	180,488
Water Rate						271,360	271,360
Wastewater Rate			598,152				598,152
2017							
Tax Capital Reserve					297,000		297,000
Debenture Proceeds		3,496,000		1,720,000			5,216,000
Local Improvements			967,796				967,796
Water Rate						855,000	855,000
Wastewater Rate			392,204				392,204
2018							
Tax Capital Reserve	360,000	1,304,000		430,000	33,000		2,127,000
Debenture Proceeds							-
Local Improvements			219,213				219,213
Water Rate						95,000	95,000
Wastewater Rate			120,787				120,787
TOTAL	\$375,000	\$5,455,000	\$2,985,000	\$2,200,000	\$335,000	\$1,371,000	\$12,721,000

