

The Corporation of the City of Kawartha Lakes

Council Report

Report Number PUR2018-002

Date: January 30, 2018

Time: 2:00 p.m.

Place: Council Chambers

Ward Community Identifier: 16

Subject: 2017-52-CT Pinewood Drinking Water System Well No 5 Construction

Author Name and Title: Launa Lewis, Supervisor of Financial Services

Recommendation(s):

That Report 2017-52-CT, **2017-52-CT Pinewood Drinking Water System Well No 5 Construction**, be received; and

That G. Hart & Sons Well Drilling Ltd. Of Fenelon Falls, be selected for the award for Request for Tender 2017-52-CT Pinewood Drinking Water System Well No 5 Construction for the total tendered amount of \$168,297; and

That additional funding of \$111,900 be allocated to project 998160501 from the Water Infrastructure Renewal reserve to fund the budget shortfall; and

That subject to receipt of required documents, the Mayor and Clerk be authorized to execute the contract to award this project; and

That Financial Services be authorized to issue a purchase order.

Department Head:_____

Financial/Legal/HR/Other:_____

Chief Administrative Officer:_____

Background:

The residential community of Pinewood, located east of Highway 35 north of Pontypool within the former Township of Manvers, is served by three groundwater production wells (Well #2, #3 & #4). The wells except well #4 have historically experienced deterioration in pumping yield and have undergone numerous groundwater investigations, pumping tests and rehabilitation efforts to restore well capacity. Well #1 was originally drilled in 1974 but decommissioned due to deterioration in pumping yield and inability to restore well capacity through rehabilitation efforts. Although the shallower wells #2 and #3 provide some supply augmentation, they are not sufficient to meet the daily demand. Due to the low yield issues, these wells are currently relied upon for back up purposes only. Therefore, the impact of operating on one well is a high risk and any planned/unplanned maintenance on well #4 requires water to be hauled in.

The Ministry of Environment and Climate Change (MOECC) has recommended considering rehabilitation of wells #2 and #3 so they can be put back into production or abandoning them and drilling a new production well.

The Request for Tender 2017-52-CT was released and advertised in accordance with the Purchasing Policy. The tender closed on Thursday October 26, 2017 and was opened in public by Councillor Pat Dunn and Marielle van Engelen, Buyer.

Results of Opening:

Tender Received From	Total Quoted Amount for 150 mm well (including HST) As Read at the Public Opening
G. Hart & Sons Well Drilling Ltd. Fenelon Falls	\$124,100.00

Provisional items for 200 mm well construction and decommissioning of existing wells were requested for the City to evaluate and consider when awarding.

An irregular result occurred as fewer than three competitive tenders were received. Two companies attended the mandatory site meeting. Only G. Hart & Sons Drilling Ltd. ("Hart") submitted a bid. Gerrits Drilling & Engineering Ltd. issued notice of no bid as their schedule would not permit them to complete as specified.

The only tender received from Hart was over budget. Azimuth Environmental Consulting Inc. ("Azimuth"), who was hired for design and contract administration of the project, reviewed the tender results and in their opinion the rates provided in the bid seem reasonable and are in keeping with contemporary standards. Azimuth also believes that the City is unlikely to get a quotation much different than the submitted tender if it were to re-tender this work program in the foreseeable future.

Hart has a sound reputation in the drilling industry and has the expertise to complete technically challenging projects. Azimuth endorses the acceptance of the tendered bid from Hart and feels that the City is obtaining a sound and experienced practitioner with a good reputation at a reasonable/fair price.

Tender was reviewed for compliance to the tender document and G. Hart is registered with the City's Vendor Management Program.

Rationale:

The design and necessary studies have been completed and the required permit/approval applications to MOECC have been submitted and are in process.

Staff recommends G. Hart & Sons Well Drilling Ltd. Of Fenelon Falls, be selected for the award for Request for Tender 2017-52-CT Pinewood Drinking Water System Well No 5 Construction for the total tendered amount including 13% HST of \$168,297 so that the construction can be carried out and the City be compliant with the MOECC recommendation.

Other Alternatives Considered:

No other alternative is being considered.

Financial/Operation Impacts:

Funds for the design and construction of the Pinewood Well Replacement are allocated in the 2016 Water and Wastewater Capital Budget and the details are noted in the Table below.

Capital Project	Capital Project Budget	Other Committed Funds*	Capital Project Balance	Tender Amount (incl. HST)**	HST Rebate	Contingency (15%)	Total Tender Cost	Remaining Budget
998160501	\$140,000	\$75,040	\$64,960	\$168,297	(\$16,740)	\$25,245	\$176,802	(\$111,842)

*Other committed funds include design, construction administration and inspection services by the consultant and internal staff time/wages, which break down as follows:

Design, CA & Inspection	\$ 60,040 [includes non-recoverable HST]
Staff time	<u>\$ 15,000</u>
Total Committed funds	\$ 75,040

**Tender amount is for 200 mm well construction including decommissioning of existing wells. The larger well will provide longevity and produce sufficient water.

Currently, the project has a budget deficit in the amount of \$111,842. Staff recommend that an additional \$111,900 be allocated to 998160501 – Pinewood Well Replacement from the Water Infrastructure Reserve to fund the budget shortfall.

Water and wastewater capital projects do not close with a surplus, only the amount required is funded based on costs incurred. Therefore these projects will close with a zero balance in the capital close report. The balance of the Water Infrastructure Reserve will be \$1,864,232 following the transfer of funds to cover the budget shortfall on this project.

Relationship of Recommendation(s) To The 2016-2019 Strategic Plan:

Tender 2017-52-CT – Pinewood Drinking Water System Well No 5 Construction aligns with the Corporate Strategic Goals "A Vibrant and Growing Economy", "An Exceptional Quality of Life", and "A Healthy Environment".

This Water Capital Project directly aligns with these strategic goals by:

- Enabling efficient infrastructure and asset management;
- Ensuring the protection and enhancement of water quality.

Consultations:

Senior Engineering Tech.,
Supervisor, Infrastructure Design and Construction,
Supervisor, Water and Wastewater Operations,
Finance Coordinator,
Azimuth Environmental Consulting Inc.

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Department Head: Juan Rojas, Director of Engineering and Corporate Assets

Department File: 2017-52-CT