



THE CORPORATION OF THE TOWN OF
SAUGEEN SHORES

STAFF REPORT

Prepared By: David Burnside

Approved By: Larry Allison, CAO _____

Date: March 10, 2010

Subject: **Southampton North End Project**

RECOMMENDATION

Staff is recommending the following:

- 1. That Harold Sutherland Construction Ltd. be awarded the work for the construction of the Tender No. M-1603-A1 in the amount of \$5,983,500.00 plus applicable taxes and that the Mayor and Clerk be authorized to sign the necessary contract documents.**
 - 2. That SMRS Construction be awarded the work for the construction of the Tender No. M-1603-A2 in the amount of \$3,578,046.53 plus applicable taxes and that the Mayor and Clerk be authorized to sign the necessary contract documents.**
 - 3. That Omega be awarded the work for the construction of the Tender No. M-1603-B in the amount of \$4,833,266.90 plus applicable taxes and that the Mayor and Clerk be authorized to sign the necessary contract documents.**
 - 4. That Doug Welsh Construction be awarded the work for the construction of the Tender No. M-1603-C in the amount of \$1,769,281.43 plus applicable taxes and that the Mayor and Clerk be authorized to sign the necessary contract documents.**
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BACKGROUND

The Town's consultants on this project (Gamsby & Mannerow Ltd and Genivar) prepared tenders for road construction and services for the area in Southampton north of the Saugeen River. The area was initially divided into three contracts and during the Tender period one of the areas was further divided into two parts to facilitate increased interest in Contract A from potential contractors.

The four areas as shown on Figure 1 are:

1. Tender A1 - The north west section of the Project Area including the two pump stations and control building.
2. Tender A2 - The southwest section of the Project Area.
3. Tender B - The north east section of the Project Area.
4. Tender C - The south east section of the Project Area and forcemain under and south of the Saugeen River.

Tender No. M-1603 –A1

The Town received three Tenders as follows:

Harold Sutherland Construction Ltd.	\$5,983,500.00
John Bravakis	\$7,050,891.15
Clearway Construction	\$7,770,481.28

Tender No. M-1603 –A2

The Town received six Tenders as follows:

SMRS Construction	\$3,578,046.53
Harold Sutherland Construction Ltd.	\$3,924,522.00
John Bravakis	\$4,510,746.66
EC King Constructing	\$4,541,318.25
Omega Contractors	\$5,075,118.10
Clearway Construction	\$5,551,311.94

Tender No. M-1603 –B

The Town received six Tenders as follows:

Omega Contractors	\$4,833,266.90
Harold Sutherland Construction Ltd.	\$4,932,799.00
EC King Constructing	\$5,239,581.00
John Bravakis	\$5,262,838.00
SMRS Construction	\$5,459,473.00
Don-Meridian Construction.	\$7,360,546.00

Tender No. M-1603 –C

The Town received six Tenders as follows:

Doug Welsh Construction	\$1,769,281.43
Omega Contractors	\$2,056,116.50
John Bravakis	\$2,165,687.00
EC King Constructing	\$2,238,195.80
Harold Sutherland Construction Ltd.	\$2,272,225.00
SMRS Construction	\$2,559,385.00

Project Update

1. The project deadline for the funding component is March 31, 2011 and the senior levels of government have not committed to an extension to the deadline.
2. All regulatory approvals are in place.
3. As a condition of the ISF Contribution Agreement the Province of Ontario has delegated procedural aspects of consultation with Aboriginal Groups to the Town of Saugeen Shores. The duty to consult is mandated from Section 35 of the Constitution Act, 1982. For this project the cost of the duty to consult is \$75,000 for an Aboriginal Consultation Protocol with the Saugeen Ojibway Nations. This expenditure is within budget estimates for this agreement.
4. The present estimate of known costs to date, tender amounts and anticipated completion cost the total project expenditure is estimated to be within the proposed budget.
5. Although the Tenders totals are within the pre Tender estimates staff is not planning to re-calculate the benefiting property owner's capital costs until the project is completed and all costs are known.
6. Contracts that extend beyond July 1, 2010 will be impacted by the implementation of the HST. While it is difficult to calculate the exact effect on the final project cost it is expected that with the GST and PST rebates the municipality is entitled to, the project will remain within budget. Depending on the progress of the contractors by July 1, 2010 it is estimated that the HST implementation may be additional \$150,000 to \$200,000 expenditure to the project.

Project Management

The Town of Saugeen Shores will provide project management services by utilizing existing staff with the addition of part time staff/contract staff for the duration of this project. This arrangement will allow the Town staff to respond and mitigate stakeholders concerns earlier and provide continuity with the principles of the Town of Saugeen Shores.

The Town's two consulting engineering firms (Gamsby & Mannerow and Genivar) for this project will be used as a resource and for extra staffing when required.

Due to the scope and duration of the project, the Town will be setting up at Project Office for the duration of the project to enable property owners a central location for all information, questions, concerns and complaints regarding this project. The Project Office will not be staffed continuously however project staff will be either at the office or at one of the several construction sites within the project area.

FINANCIAL IMPACT –

2010 Budget Year

Estimated Total Project Costs	Financing					
	Grants	Development Charges	Water Reserves	Sewer	User Fees	Tax Levy
\$15,100,515	10,067,010	471,600	827,000	--	2,650,891	1,084,014

2011 Budget Year

Estimated Total Project Costs	Financing					
	Grants	Development Charges	Water	Sewer	User Fees	Tax Levy
\$5,033,505	1,719,656	471,599	--	(350,000)	2,108,235	1,084,015

Total Project Budget

Estimated Total Project Costs	Financing					
	Grants	Development Charges	Water	Sewer	User Fees	Tax Levy
\$20,134,020	11,786,666	943,199	827,000	(350,000)	4,759,126	2,168,029