
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 2017-001T

WARD: 8

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MANAGEMENT

CHIEF ADMINISTRATIVE OFFICER APPROVAL: C. LADD
CHIEF ADMINISTRATIVE OFFICER

RECOMMENDED MOTION

1. That the Director of Finance be authorized to enter into agreements with the owners, as provided under Section 326 of the Municipal Act, who have selected the option of payment of the sanitary charges over a 10 year period with interest and water charges over a 10 year period interest free.

PURPOSE & BACKGROUND

Report Overview

2. 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.
3. The project area is illustrated in Appendix A. There is no existing sanitary sewer or watermain to the east of Brennan Avenue and within Gable's Park. The Royal Oak area is not currently serviced by sanitary sewer but does have municipal water servicing.

Previous Reports

4. 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.
5. The work associated with the Royal Oak Drive Urbanization/Gable's Park project has been divided into two phases:
 - a) Phase 1 included the sanitary sewer and watermain work on Brennan Avenue and through Gable's Park.

- b) Phase 2 includes:
- i) the sanitary sewer and watermain work from Brennan Avenue to Bay Lane (i.e. through the private property on Bay Lane that has 10 homes); and
 - 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.
6. On June 27, 2016, Council adopted Motion 16-G-163 which authorized the Director of Finance to issue 10-year debentures for the owners' share of the sanitary sewer works and water works, and awarded the Phase 1 works (Contract 2016-001T) to Arnott Construction (see Appendix C). Contract 2016-001T is now substantially complete.
7. Easements have been acquired 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).

Previous Memos

8. On April 13, 2016, Infrastructure, Investment, and Development Services (IIDS) Committee reviewed a report recommending that sidewalks be included as part of the reconstruction of Royal Oak Drive, Forestwood Lane, and on Tollendal Mill Road from Royal Oak Drive to the segment of sidewalk extending from Hurst Drive.
9. During the IIDS Committee, Engineering staff were asked to review options for narrowing the width of the roadway, and report back to General Committee in a memo with findings and recommendations. On May 2, 2016, General Committee received a memorandum report discussing options for designing the roadway widths within the subdivision. The options were evaluated and the recommendation was to maintain the standard roadway width for a local urbanized road of 8.5 m asphalt width. The criteria included parking, access for winter maintenance and emergency vehicles and geometric space for underground infrastructure.
10. A site meeting was held on December 3, 2016 with Engineering Department staff and residents to discuss the proposed roadway widths and sidewalks, and how they would fit compared to the existing roadway widths and boulevards. Based on the discussions at that meeting, the recommended sidewalks and roadway widths were acceptable to the residents. The discussions at that meeting also included the design efforts to maintain, protect and preserve the trees within the subdivision.
11. A qualified arborist was retained through the design to inventory the trees within the subdivision. The inventory documents 350 trees that are within the right-of-way or have canopies partially over the right-of-way. The inventory includes for each tree its size, species, and health. The arborist provided recommendations for tree preservation, pruning, and tree removal. Based on the recommendations from the inventory, 3,100 m of tree protection fencing will be installed as part of the construction contract and less than ten (10) trees are anticipated to be removed.

Senior Level Funding

12. The Clean Water and Wastewater Fund (CWWF) is a federal program designed to accelerate short-term community investments across Ontario, while supporting the rehabilitation and modernization of drinking water, wastewater and stormwater infrastructure, and the planning and design of future facilities and upgrades to existing systems. The CWWF was announced in September 2016.

13. The City of Barrie was given the opportunity to be approved for this funding opportunity in advance of the formal submission process. Submission of the City's projects for pre-approval occurred in late August and early September 2016, and the approved funding was announced on September 14, 2016.
14. Funding for this project through the CWWF program was based on cost estimates at that time and is as follows:
 - a) Total Construction Estimate: \$11,900,000
 - b) Federal CWWF Contribution: \$5,950,000
 - c) Provincial CWWF Contribution: \$2,975,000
 - d) City of Barrie Contribution: \$1,607,503
 - e) Other Contribution: \$1,367,497

* Other contributions include Federal Gas Tax, and contributions from developers and residents
15. As of the time of this report, draft CWWF agreements have been received but final agreements have not been signed. Although very unlikely, there is the risk CWWF grant agreements will not be executed. If the CWWF grant is not executed and the construction contract is awarded, the City will need to find alternative funding sources for the project (e.g. capital reserves or debt). If the CWWF grant is executed after the construction contract is awarded, then CWWF funding can be applied to this project.
16. Projects funded through the CWWF are expected to meet a March 31, 2018 completion date.

Tenders

17. Tenders for Contract 2017-001T Royal Oak Drive Urbanization/Gable's Park, Phase 2 works, closed on March 9, 2017 at 2:00 p.m. Six (6) tenders were received and opened on March 9, 2017 at 2:15 p.m.
18. The four (4) lowest compliant tenders have the following values (excluding HST):
 - a) John Bravakis Enterprises Ltd. \$7,256,921
 - b) Primrose Contracting (Ont.) Inc. \$8,357,522
 - c) Mar-King Construction Company Limited \$9,053,060
 - d) Trisan Construction \$9,194,251
19. John Bravakis Enterprises Ltd.'s (John Bravakis) tender was reviewed and found to be compliant and in good order. The Engineering Department estimate for the work was \$9,600,000.
20. The total project cost (Phases 1 & 2), excluding HST and including construction, engineering, contract administration, site inspection, utility relocations, property and easement acquisitions and contingencies is estimated at \$12,594,242. This total project cost is marginally below the budget value of \$12,741,000.

ANALYSIS

21. Engineering Department staff monitored John Bravakis' work on a contract of a similar nature (i.e. Highland Avenue, Mountbatten Crescent, Mountbatten Road, and Rodney Street, Contract 2015-001T) to the work in this contract. John Bravakis has displayed it has the experience and resources to complete the work for this contract. Therefore, the Engineering Department recommends the award of Contract 2017-001T to John Bravakis for the Phase 2 works.

22. Letters were sent to all property owners in the area on March 20, 2017 advising of:
- a) The proposed sanitary sewer and service connection works;
 - b) The proposed watermain and service connection works;
 - c) The estimated payment amounts based on the tendered prices for Phase 1 work (Contract 2016-001T) and Phase 2 work (Contract 2017-001T); and
 - d) Procedures for making an oral or written deputation to Council if individual property owners were opposed to proceeding to construction.
23. Based on the tender prices received for Phase 2 (Contract 2017-001T), and the costs for Phase 1 Work, the project costs are 99% of the budgeted values. A summary of the project costs are in the following table.

Total Tender Price (Excluding HST)	\$7,256,921
Construction and Project Contingencies	\$1,258,307
HST non recoverable (1.76%)	\$149,868
Engineering Design	\$698,690
Consultant Design Fees	\$168,267
Construction Administration, Inspection and Materials Testing	\$433,255
Application Fees	\$2,200
Property/Easement Acquisition	\$235,517
Utility Relocations	\$475,000
Phase 1 works (Contract 2016-001T)	\$1,916,217
TOTAL PROJECT WORK	\$12,594,242

24. Based on the tender prices received for the Phase 2 work (Contract 2017-001T), plus the costs for the Phase 1 work, and based on the property frontages owned by the Private Property owners and the Corporation of the City of Barrie (Barrie), the Section 326 frontage and lateral costs are distributed as shown in the following table:

Section 326 Frontage and Lateral Cost Distribution		
	Costs	Percent
Sanitary Servicing		
- Private Property Owners	\$1,373,195	38.7%
- City of Barrie	\$2,173,556	61.2%
- Private Developer	\$5,019	0.1%
Total Sanitary Servicing	\$3,551,770	100.0%
Water Servicing		
- Private Property Owners	\$207,691	10.5%
- City of Barrie	\$1,760,823	89.3%
- Private Developer	\$4,244	0.2%
Total Water Servicing	\$1,972,757	100.0%

25. The Servicing Costs Debentured are marginally less than the 2016 Servicing Costs presented in Staff Report ENG008-16 with Motion 16-G-163. The costs assessed to each of the private properties is also the same or marginally less than the costs presented in 2016.

ENVIRONMENTAL MATTERS

26. 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.

27. The new domestic watermain will reduce the use of private wells for some properties thereby increasing the water quality security of the water supply for those properties.

ALTERNATIVES

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

Alternative #1 General Committee could elect to not award the Phase 2 works (Contract 2017-001T) to John Bravakis.

This Alternative is not recommended as it would not be consistent with the timing of available funds in the 2017 Capital Budget and Business Plan, and the available funding from the federal and provincial governments.

FINANCIAL

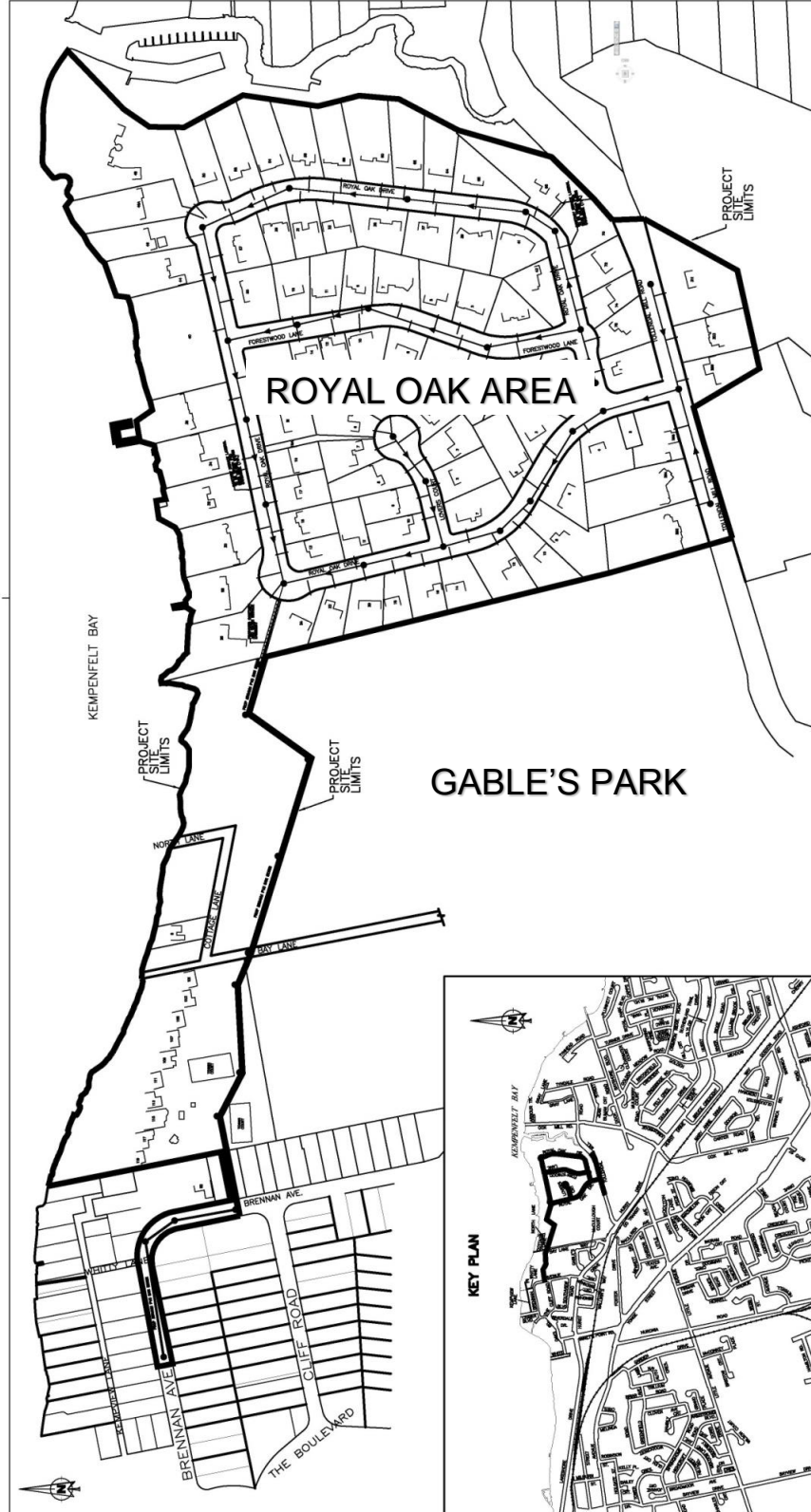
29. A letter notifying residents and property owners of the project was issued by postal mail on March 20, 2017. Council members received a copy of the letter. The estimated frontage costs and lateral costs based on actual tender costs for Phase 1 work and estimated costs for Phase 2 work are:
- a) Sanitary: Frontage Cost = \$422.22/m; Lateral Cost = \$2,319.13/lateral
 - b) Water: Frontage Cost = \$706.03/m; Lateral Cost = \$6,506.53/lateral
30. The funding plan includes approximately \$1.6M that will be recovered through local service charges. Section 326 of the Municipal Act allows owners the option to pay for these charges over a period of time. Owners selecting this option will be required to sign an agreement setting out a 10 year repayment schedule. The interest rate will be established at the completion of the project. Interest is charged on the sanitary component while the water component is interest free.
31. The funding plan for this project includes approximately \$8.9M in CWWF grant funding. As of the time of this report, draft CWWF agreements have been received but final agreements have not been signed. Although very unlikely, there is the risk CWWF grant agreements will not be executed. If the CWWF grant is not executed and the construction contract has already been awarded, the City will need to find alternative funding sources for the project (e.g. capital reserves or debt).

LINKAGE TO 2014-2018 STRATEGIC PLAN

32. The recommendation included in this Staff Report supports the following goals identified in the 2014-2018 Strategic Plan:
- Responsible Spending
33. 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"

Recommendations for By-laws Adopted in Motion 16-G-163

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. (ENG008-16).