



Report to: Development Services Committee

Report Date: June 11, 2018

SUBJECT: Houghton Boulevard Sewers (Ward 4)

PREPARED BY: Alberto S. Lim, Senior Capital Works Engineer, Ext. 2860

REVIEWED BY: Alain Cachola, Senior Manager Capital Works, Ext. 2711

RECOMMENDATION:

- 1) That the report entitled “ Houghton Boulevard Sewers (Ward 4)” be received; and,
- 2) That a new Engineering capital project be established for the Houghton Boulevard Local Storm and Sanitary Sewer to be up-fronted from the Life Cycle Replacement and Capital Reserve Fund in the amount of \$387,250.00 and that the funds be recovered from the benefiting property owners with appropriate interest, if applicable; and,
- 3) That the total project costs, including actual construction costs, all the engineering and related administrative costs by the City, be recovered in accordance with the requirements of Section 391 of the Municipal Act 2001 and the by-law approved by Council; and,
- 4) That subject to the final commitment of at least 4 out of 5 property owners to fund the construction, the City proceed with tendering this project for construction; and,
- 5) That as a result of the tender process, if the final bid price is more than the estimated costs by 10% (\$38,725), the City will seek further commitment of the revised costs from a minimum of 4 out of 5 owners; and,
- 6) That the necessary By-law to levy the associated cost by property be prepared in accordance with the requirements of Section 391 of the Municipal Act 2001 and be forwarded to Council for adoption when the final cost of the project has been determined; and,
- 7) That property owners be allowed to have the option to pay the full amount of their allocated project costs at the time of the completion of work or in installments over 10 years on their tax bill with interest; and further,
- 8) That Staff be authorized and directed to do all things necessary to give effect to this resolution.

PURPOSE:

The purpose of this report is to obtain Council approval for establishing a new Engineering capital project for the local sanitary and storm sewers on Houghton Boulevard and recover the costs of such work including all engineering and related administrative fees, etc., in accordance with Section 391 of the Municipal Act.

BACKGROUND:

Houghton Boulevard is located north of Highway 7 and east of Main St. Markham North. It intersects with Albert Street to the west and turns to a private cul-de-sac Alma Walker Way to the east. Five property owners of this street, the owners of Nos. 4, 6, 7, 8 and 10 Houghton Boulevard, approached the City with a request for an extension of the existing sanitary and storm sewers downstream from their residences in order to provide municipal service connections to the said properties. These homes are currently supplied by municipal water. Please refer to the enclosed plan shown in Appendix 'A'.

OPTIONS/ DISCUSSION:

Design:

The property owners had agreed that the City retain a consulting engineer to carry out the design of the sewers as well as the preparation of a tender package and an estimate of the construction costs involved in the proposed sewer projects. The design and tender package has been completed and the construction cost estimate is presented in this report.

The cost estimate was determined to be \$283,700 for the construction of the sanitary sewers, storm sewers and restoration of the roadworks. In addition to the construction costs, there are costs associated with the tender preparation, contract administration, Engineering administration fee and contingencies. In all, the total cost of the sewer works is determined to be \$387,250 or \$77,450 per benefitting property. These costs are summarized in Appendix 'B'.

Tender:

Subject to the final commitment of at least 4 out of 5 property owners to fund the construction, the City will proceed with tendering this project for construction. If as a result of the tender process, the final bid price exceeds the estimated costs by 10% or more, the City will contact the owners of the 5 properties with the revised costs and seek further commitment from a minimum of 4 out of 5 owners. The City will recover the costs of the works in accordance with Section 391 of the Municipal Act.

A copy of the Petition Letter to Initiate Tendering Process and Construction that was submitted to the affected residents is shown in Appendix C.

Construction:

Subject to Council approval to front-end this project and final property owners' approval of the tender costs, the City will award the contract to the lowest bidder and proceed with construction in summer of 2018. Completion is expected in fall of 2018 dependent on weather conditions and coordination of access issues with the property owners to the east.

FINANCIAL CONSIDERATIONS AND TEMPLATE:

Table 1 outlines the estimated total project costs and the cost per benefitting property. The costs do not include the property owners' cost of connecting the services through their private property.

Table 1 – Total Estimated Project Costs Estimate and Cost per Property

Description	Amounts
Construction Costs (Storm, Sanitary and Road Reconstruction)	\$ 283,700.00
Tender Preparation and Technical Support	\$ 8,500.00
Contingency and Administration Fees	\$ 88,322.40
Sub-Total (A)	\$ 380,522.40
HST (1.76%) (B)	\$ 6,697.19
Total Project Cost Estimate (C)=(A)+(B)	\$ 387,219.59
Round-up (D)	\$ 387,250.00
Cost per Property (E)=(D)/5	\$ 77,450.00

Funding:

If approved by Council, the City will up-front the project cost from the Life Cycle Replacement and Capital Reserve Fund and recover the actual total project costs from the five benefitting property owners with interest, if the amount owing is not paid in full on completion of the project.

Method of Cost Sharing:

The project cost will be equally shared by the five benefitting property owners at \$77,450 each based on the estimated costs of \$387,250.00, subject to change based on actual costs.

Method of Payment:

If approved by Council, a municipal By-law will be prepared in accordance with the requirements of Section 391 of the Municipal Act 2001 that will provide the property owners with the option of paying the full amount either as one interest free lump sum payment or annually up to a maximum 10 years with interest rate of 3.2% per annum. Payment in full of the outstanding balance plus accrued interest would be permitted at any time.

ALIGNMENT WITH STRATEGIC PRIORITIES:

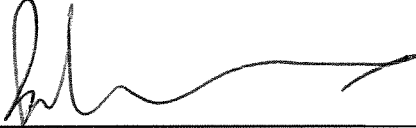
Eliminating the septic system and replacing with sanitary sewer system will reduce the discharge of Sulphur in soil and groundwater in adjacent areas and enhance the overall environment especially since these homes are in close proximity to the Rouge River.

BUSINESS UNITS CONSULTED AND AFFECTED:

The Finance and Legal Departments have been consulted in the preparation of this report and their comments have been incorporated. Should Council approve this project, the

Clerks Department, in consultation with the Legal and Finance Departments, will prepare the municipal By-Law with appropriate terms in accordance with Section 391 of the Municipal Act 2001, upon project completion.

RECOMMENDED



Brian Lee, P. Eng.
Director of Engineering



Arvin Prasad, M.C.I.P., R.P.P.
Commissioner of Development
Services

ATTACHMENTS:

Appendix "A" - Houghton Boulevard Sewers

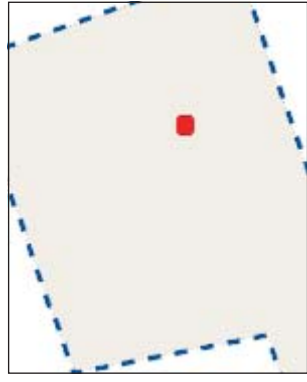
Appendix "B" - Summary of Cost Estimates

Appendix "C" - Petition Letter to Initiate Tendering Process and Construction



GEO-LOGIC 3.0

Attachment A - Houghton Boulevard Sewers



Legend

- Road Attributes Building
- Footprints Ponds
- Creeks
- Rivers
- Parcel (MPAC) Park
- Facilities
- Affected Properties



Notes



1: 2,257

114.7 Meters

57.33

0

114.7

This map is a user generated static output from an Internet mapping site and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable.

THIS MAP IS NOT TO BE USED FOR NAVIGATION

NAD_1983_UTM_Zone_17N
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APPENDIX 'B'
SUMMARY OF COST ESTIMATES
HOUGHTON BOULEVARD
CITY OF MARKHAM

SECTION "A" Sanitary Sewers	\$	129,000.00
SECTION "B" Storm Sewers	\$	135,000.00
SECTION "C" Roadworks to Base Asphalt	\$	19,700.00
	\$	283,700.00
Preparation of Tender Documents	\$	2,500.00
Additional Technical Support	\$	2,500.00
As Builts	\$	2,500.00
Moe transfer review	\$	1,000.00
Subtotal	\$	292,200.00
Contingency (10%)	\$	29,220.00
Engineering Admin. Fee	\$	41,570.40
Construction Administration (6%)	\$	17,532.00
Sub-Total (A)	\$	380,522.40
HST (1.76%) (B)	\$	6,697.19
Estimated Final Cost (Taxes Incl.) (C)=(A)+(B)	\$	387,219.59
Round Off (D)	\$	387,250.00
Estimated Cost per Property (E)=(D)/5	\$	77,450.00



VIA REGISTERED MAIL

May 1, 2018 (Letter re-issued)

[insert address of each owner benefiting from proposed work]

Re: Houghton Boulevard – Petition Letter to Initiate Tendering Process and Construction

Dear Property Owner:

We wish to notify you that the City has completed the detailed design of the Houghton Boulevard sewer extension. The following is a description of the next steps:

1. Preliminary Cost Estimates

The consultant has prepared a construction drawing and a preliminary cost estimate. The cost breakdown is as follows:

<u>Item</u>	<u>Cost</u>
Engineering	
Preparation of Tender Documents	\$2,500
Additional Technical Support	\$2,500
Preparation of As Built Drawings	\$2,500
MOE Transfer Review	\$1,000
Construction	
Section A – Sanitary Sewers	\$129,000
Section B – Storm Sewers	\$135,000
Section C – Road works to Base Asphalt	\$19,700
Subtotal	\$292,200
Contingency (10%)	\$29,220
Engineering Administration Fee	\$41,570.40
Construction Administration Fee (6%)	\$17,532
Sub-Total (A)	\$380,522.40
HST (1.76%) (B)	\$6,617.19
Total Project Cost Estimate (C) = (A)+(B)	\$387,219.59
Round OFF (D)	\$387,250.00
Estimated Cost Per Property (E) = (D)/5	\$77,450.00

Subject to commitment of at least 4 of 5 property owners to fund the construction, the City will proceed to tender the project. If final bid price from the tender process exceeds the estimated cost by 10% or more, the City will contact all 5 property owners with the revised cost and seek further commitment from a minimum of 4 of 5 owners. Please submit your response below before **May 15, 2018**.

2. Next Steps

Once the City has received the signed Acceptance Letter from minimum of four (4) property owners, the City will proceed with the following:

- (a) A public consultation meeting, if so desired by the residents
- (b) Finalize the detailed design
- (c) Tender the project
- (d) Compare tendered cost to the estimated cost (\$387,250.00)
- (e) Proceed to the next step if:
 - The tendered cost is lower than or,
 - If the increase in tender cost is less than 10% of the estimated cost of \$429,990.31.

If the tender cost exceeds the estimated cost of \$387,250.00 by 10% or more (i.e. \$38,725 or more) the City will contact the property owners to confirm if they still wish to proceed with construction. Unless the City receives at least 67% (i.e., 4 of 5) of property owners' support, the City will not proceed with the next step.

3. Potential Payment Options

If approved, there are two methods of payment available for this project:

1. A one-time lump sum payment upon completion of construction; or
2. Annual payments by instalments over a 10-year period (2018 through 2028) at an interest rate of 3.2% per annum. Any outstanding balance, plus accrued interest, up to the date of the final payment, may be paid at any time prior to December 31, 2028.

Payments can be made in instalments, as set out by the final annual tax levy by-law until the associated lot cost is paid in full (reflected in the 2018 Tax Levy By-law and subsequent years until paid).

4. Council Approval

Subject to the resident's approval to proceed with construction, staff will submit a report to Council seeking authority to proceed under Section 391 of the Municipal Act and funding arrangements. The tentative date of the Council Report is June 11, 2018.

5. Construction

Subject to Council approval and once funding has been approved and received, the City will award the contract and proceed with construction in Summer of 2018 depending on weather conditions and coordination of access issues with the property owners to the east.

If you have any further questions, please contact Alberto S. Lim whose contact information is as follows:

Alberto S. Lim, P.Eng.
Engineering Department
City of Markham, 101 Town Centre Boulevard
Markham, ON L3R 9W3
Phone: (905) 477.7000 ext.2860. Fax: (905) 479.7773
alim@markham.ca

c.c. Councillor Karen Rea

Petition

The undersigned owners of lands abutting directly on the proposed work referred to above:

1. Acknowledge that the actual construction cost of the proposed sanitary sewer, including service connection to the property line, (excluding lateral connection to the dwelling) will be allocated equally to each of the five (5) benefiting properties, estimated at approximately **\$77,450.00/lot** including HST, not including any plumbing, landscaping or repair to structures or landscaping, on private property.
2. Acknowledge that if the project costs increase by more than 10% of the above estimate **(\$77,450.00/lot)**, then the residents will be resurveyed for support of the increased cost.
3. Acknowledge that each of the benefiting property owners will have the option of paying their share either as a one-time lump sum payment upon completion of construction without interest; or by installments over 10 years on their tax bills with interest payable.

We further acknowledge that:

- Sanitary service and storm service connections from the property line to each dwelling will not be included as part of the City's project, and the City will not be providing any cost estimate to the property owners for such connections; and,
- Each property owner will be required to arrange and pay for the construction of sanitary sewer and storm service connections from the property line to their dwelling, at a future time when each of them choose to do so.

Please note that if no response is received from a property, it will be considered as a "NO" vote for this project.

VOTE YES	VOTE NO
Address: _____	Address: _____
Name (Please Print) _____	Name (Please Print) _____
Signature: _____	Signature: _____
Date of Signature: _____	Date of Signature: _____

Please send the petition to:

Alberto S. Lim, P.Eng.

Engineering Department

City of Markham, 101 Town Centre Boulevard

Markham, ON L3R 9W3

Phone: (905) 477.7000 ext. 2860

Fax: (905) 479.7773

Email: alim@markham.ca