



Report to: General Committee

Report Date: April 21, 2008

SUBJECT: Award of Quotation # 017-Q-08 Robinson Street Laneway
Sanitary Sewer System - Local Improvement

PREPARED BY: Prathapan Kumar, Ext. 2989
Amit Sobti, Ext. 2239

RECOMMENDATION:

THAT the report entitled "Award of Quotation 017-Q-08 Robinson Street Laneway Sanitary Sewer System" be received;

AND THAT Quotation 017-Q-08 Robinson Street Laneway Sanitary Sewer be awarded to the lowest priced bidder, Dig-Con International Limited in the amount of \$52,891.00, exclusive of contingency and GST;

AND THAT a separate purchase order in the amount of \$8,103.78 exclusive of GST be issued for contingency to cover any additional fees and that the Director of Asset Management be authorized to approve expenditure of this contingency amount up to the specified limit in accordance with the Expenditure Control Policy;

AND THAT the cost for construction, engineering and all related administration costs in a total estimated amount of \$76,400.00 be front-ended by the Town from the Waterworks Stabilization/Capital Reserve into capital account 058 6150 7366 005 and recovered from the benefiting property owners with appropriate interest;

AND THAT the Robinson Street Laneway Sanitary Sewer System proceed and the total project cost in the estimated amount of \$76,400.00 be recovered from each of the property owners abutting the works in accordance with Section 391 of the Municipal Act 2001;

AND THAT the actual construction cost, all the engineering and related administrative and financing costs front-ended by the Town form part of the total project cost and be recovered in accordance with the requirements of Section 391 of the Municipal Act and the by-law approved by Council;

AND THAT the necessary By-law to levy the associated cost by property for the Robinson Street Laneway Sanitary Sewer System be prepared in accordance with the requirements of Section 391 of the Municipal Act 2001, when the final cost of the project has been determined;

AND THAT the residents be allowed to have the option to pay the full amount at the time of the completion of work or in installments over 15 years on their tax bill with interest payable at the 15 Year Region of York Debenture Interest Rate in effect on the date the by-law is enacted, calculated annually in advance.

AND THAT Staff be authorized and directed to do all things necessary to give effect to this resolution.

EXECUTIVE SUMMARY:

Not Applicable

PURPOSE:

The purpose of this report is to obtain Council approval to award Quotation # 017-Q-08 Robinson Street Laneway Sanitary Sewer System and recover the costs of such works in accordance with Section 391 of the Municipal Act.

BACKGROUND:

The Robinson Street Laneway is an 85m long single laneway, located on the north side of Robinson Street and west of Main Street Markham North (Attachment "A"). Five houses (#104, 106, 108, 110 and 112 Robinson Street) use this laneway as their vehicular access to their houses. These houses are currently served by individual septic system, except #112 has been connected to the trunk sanitary sewer on Robinson Street.

In early May 2006, one of the residents requested the Town to investigate the feasibility of installing a sanitary sewer system to serve the area. A meeting with the residents was held on May 18, 2006 (attended by Councillor George McKelvey and Steve Andrews), and subsequently on July 11, 2006 (attended by Councillor George McKelvey and Phoebe Fu) to review the resident's request. It was agreed that the Town will investigate the possibility of installing a gravity sewer on Robinson Street Laneway to connect to the existing sanitary sewer on Robinson Street, with the understanding that the residents will pay the full cost.

Expression of Interest

An "Expression of Interest to Install Sanitary Sewers on Robinson Street Laneway" dated July 21, 2006 was received by the Town. It was signed by all four property owners that are still served by septic system (# 104, 106, 108 & #110 Robinson Street). The residents requested the Town install a sanitary sewer on Robinson Street Laneway so that the existing septic systems can be abandoned. The residents also acknowledged that they are required to pay for the full cost of the work.

Tendering of the Robinson Street Laneway Sanitary Sewer

At its meeting on October 10, 2006, Council approved the construction tendering of the Robinson Street Laneway Sanitary Sewer System and asked that staff report back the resident's decision and staff recommendation.

Construction Quotation

All bids were issued in accordance with Purchasing by-law 2004-131. Originally the project was tendered in August 2007 and was cancelled due to high prices. As requested by the property owners at the meeting held on January 17, 2008 (attended by Councillor Carolina Moretti and Prathapan Kumar), project was re-tendered with four different options and the tender was closed on March 05, 2008.

BID INFORMATION:

Advertised	Electronic Tendering Network
Bids closed on	March 05, 2008
Number picking up bid documents	13
Number attended the compulsory site meeting	10
Number responding to bid	6

PRICE SUMMARY: Option "A" – Gravity Sewer by Open Cut with One Manhole

Company	Prices
1. Dig-Con International Limited	\$52,891.00
2. Robert Somerville Co. Limited	\$96,312.58
3. F.C.M Construction Limited	\$97,000.00
4. HDC Services Ltd.	\$97,913.00
5. Sam Rabito Construction Ltd.	\$111,581.01
6. F.D.M. Contracting Co. Ltd.	\$136,524.00

Note: Prices are exclusive of GST and contingency

Total Project Costs

From the four options, Option "A" was selected (Attachment "B") based on the lowest tendered price. The estimated total project costs are summarized below:

Construction Cost (Option "A")	\$52,891.00
Add: Construction Contingency (±15%)	\$8,103.78
Sub Total	\$60,994.78
Add: Geotechnical Investigation during design phase (actual)	\$2,940.00
Add: Geotechnical Investigation during construction phase (estimated)	\$2,500.00
Total Construction Cost	\$66,434.78
Add: Engineering & Project Management by Town Staff (15% of total construction cost)	\$9,965.22
Total Project Costs	\$76,400.00

Note: Prices are exclusive of GST

Meeting with Residents

A meeting with the residents of Robinson Street was held on March 17, 2008 (attended by Councillor Carolina Moretti and Prathapan Kumar). The final design drawings, total project costs, funding, method of cost sharing and the method of payment were presented to the residents in the meeting.

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- Total Project Costs
The total project costs are estimated to be \$76,400.00, exclusive of GST. This includes the cost of construction and engineering fees. This does not include the resident's cost of connection on their private property.
 - Funding
If approved by Council, the Town will front-end the project cost with funding from the Waterworks Stabilization/Capital Reserve into capital account 058 6150 7366 005 and recover the cost from the four property owners.
 - Method of Cost Sharing:
Resident may request the Town to proceed under the Local Improvement Act or under Section 391 of the Municipal Act.
 - Under the Local Improvement Act, cost sharing will be based on the length of frontage of each property;
 - Under Section 391 of the Municipal Act, the project cost could be equally shared by the four property owners for approximately \$19,100.00 each.
 - The property owner of 104 Robinson Street has obtained a quote from a contractor to install a service connection from the existing sanitary sewer on Robinson Street in the amount of \$10,500.00 and informed that he will only contribute \$10,500.00. All other three property owners agreed to equally share the balance cost at the meeting held on March 17, 2008. The cost sharing will be as shown on Attachment "C".
 - Method of Payment
If approved by Council, residents may pay back the Town for their share of the cost by a one-time lump sum payment at the time of the completion of the works or by installments over 15 years, plus accrued interest.

Residents were advised to submit a formal request to the Town to initiate the installation of the sanitary sewer by signing the "Request for Construction of a Municipal Sanitary Sewer" form.

OPTIONS/ DISCUSSION:

The "Request for Construction of a Municipal Sanitary Sewer" form was received by the Town on March 27, 2008. It was signed by all four property owners (# 104, #106, #108 and #110 Robinson Street).

Based on the "Request for Construction of a Municipal Sanitary Sewer" form provided to the Town (Attachment "C"), it is recommended that the Town proceed with the Robinson Street Laneway Sanitary Sewer System and recover the costs of such works in accordance with Section 391 of the Municipal Act.

FINANCIAL CONSIDERATIONS AND TEMPLATE:

If the Town proceeds with the works as requested, it would be appropriate to recover the actual costs of the project, currently estimated at \$76,400 exclusive of GST, based on the

agreed upon cost sharing amongst the four property owners benefiting from the work in accordance with Section 391 of the Municipal Act.

The project can be funded from Waterworks Stabilization/Capital Reserve and paid back with the appropriate interest. The Fees By-law provides the residents with the option of paying the full amount either as one interest free lump sum payment or annually up to a maximum 15 years with interest payable at the same rate as the current 15 Year Region of York Debenture Interest Rate. Payment in full of the outstanding balance plus accrued interest would be permitted at anytime.

The following table is a summary of the financial considerations for this report:

Original Budget and Account #	\$10,000	058 6150 7366 005 EREP Robinson St Laneway Sewer
Current Budget Available (unspent)	\$6,960	
Less Cost	(\$76,400)	Awarded to Dig-Con International Limited
Less Contingency		
Budget Remaining	<u>(\$69,440)</u>	
 <u>Funding for Shortfall</u>		
	\$69,440.00	87-2800-200 – Up fronted by Town from Waterworks Stabilization/Capital Reserve. To be recovered from property owners.

ENVIRONMENTAL CONSIDERATIONS:

Eliminating the existing septic system and replacing with the sanitary sewer system will reduce the sulphur loading in soil and water in the nearby areas and enhance the overall environment.

ACCESSIBILITY CONSIDERATIONS:

Not applicable

ENGAGE 21ST CONSIDERATIONS:

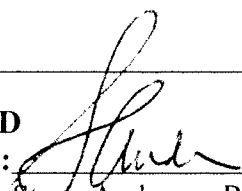
Not applicable

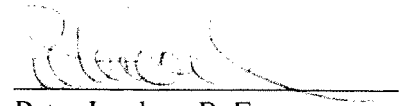
BUSINESS UNITS CONSULTED AND AFFECTED:

The Clerks Department and the Legal Department have been consulted, provided input and reviewed this report. The Finance Department has reviewed and concurred with this report. Should Council approve this project, the Clerks Department in consultation with the Legal and Finance Department will be required to prepare the Fee By-law with all the terms and conditions in accordance with Section 391 of the Municipal Act 2001, upon project completion.

RECOMMENDED

BY:


Steve Andrews, P.Eng.
Director of Asset Management


Peter Loukes, P. Eng.
Commission Lead
Operations and Asset Management

ATTACHMENTS:

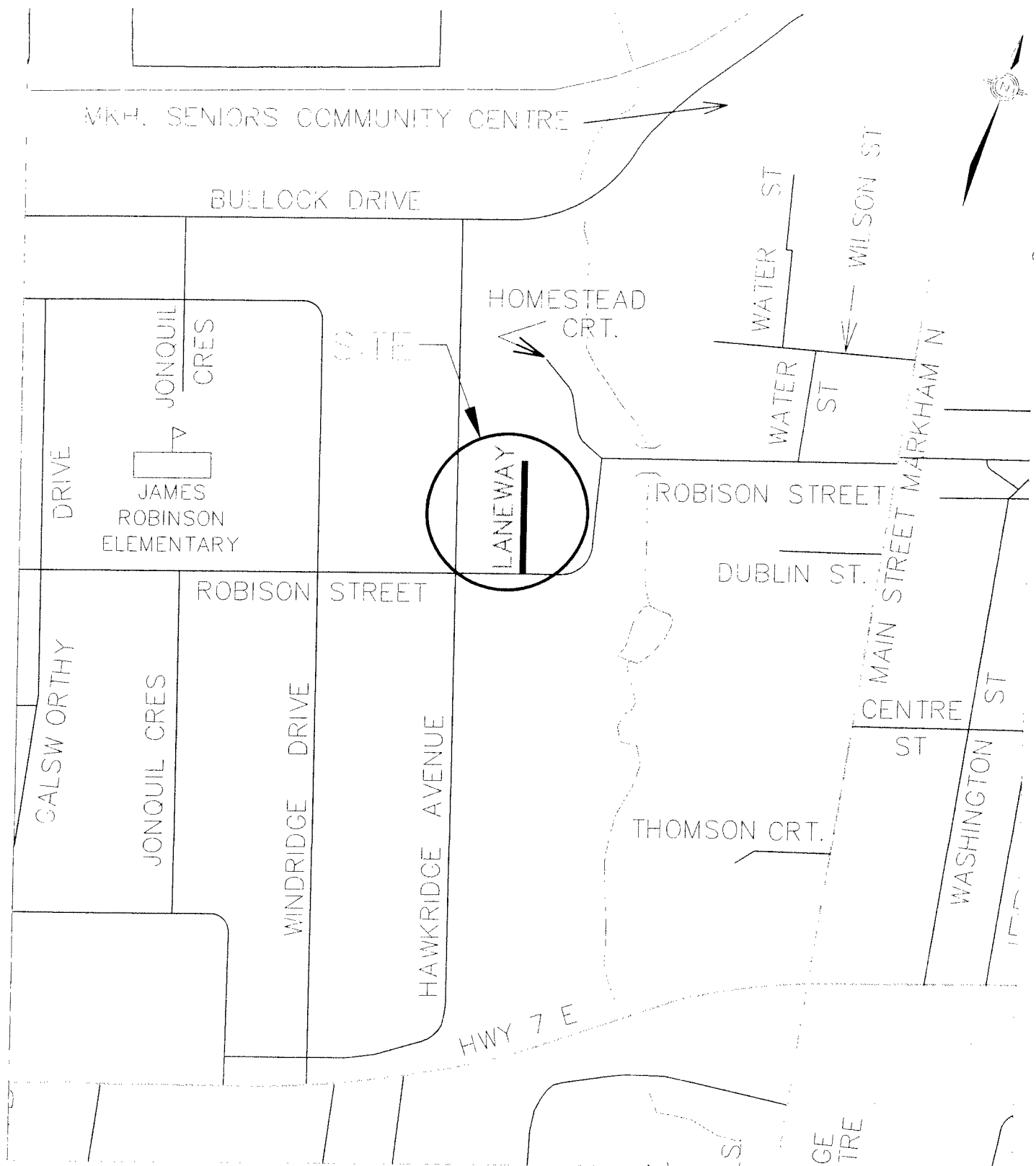
Attachment "A" - Key Plan

Attachment "B" - Robinson Street Laneway Sanitary Sewer - Plan

Attachment "C" - "Request for Construction of Sanitary Sewer" Form

Attachment "D" - Financial Information

ROBINSON STREET LANEWAY SANITARY SEWER



KEY PLAN



REQUEST FOR CONSTRUCTION OF MUNICIPAL SANITARY SEWER

To: The Council of the Corporation of the Town of Markham
 From: Property Owners on Robinson Street Laneway
 Re: Robinson Street Laneway Sanitary Sewer System

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

1. Request the Town of Markham to proceed with the construction of a municipal sanitary sewer on Robinson Street Laneway to serve our properties;
2. Acknowledge that the current estimated cost of the proposed sewer is **\$76,400.00** excluding GST;
3. Acknowledge that the cost of the proposed sewer will be shared as follows (exclusive of GST):

Address	Cost
104 Robinson Street	\$10,500.00
106 Robinson Street	\$21,966.67
108 Robinson Street	\$21,966.67
110 Robinson Street	\$21,966.67
Total Project Costs	\$76,400.00

4. Acknowledge that the cost of the sanitary sewers will be collected from the four benefiting property owners that are referred to below ("the Benefiting Property Owners") and if the Town of Markham permits, the cost thereof will be deferred and the repayment, including interest at a rate to be determined by the Town, secured by a by-law enacted under s. 391 of the Municipal Act;
5. 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; or by installments over 15 years on their tax bills with interest payable at the 15-year Region of York Debenture Interest Rate.

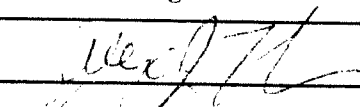



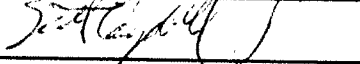
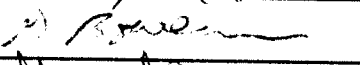
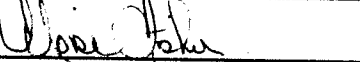
We further acknowledge that:

- Sanitary service connections from the property line to each dwelling will not be included as part of the Town's project, and the Town will not be providing any cost estimate to the property owners for such connections; and,

Attachment "C"

- Each property owner will be required to arrange and pay for the construction of a sanitary service connection from the property line to their dwelling, at a future time when they respectively choose to do so.

All of which is submitted to the Town of Markham by the Property Owners who are referred herein and as follows:

Address	Name	Signature	Date of Signatures
104 Robinson Street	Alex Therrien		March 27/08
	Christine Therrien		March 27/08
106 Robinson Street	Marcello Biagioni		March 27/08
	Linda Chesney		March 27/08
108 Robinson Street	Scott Campbell		March 27/08
110 Robinson Street	Gary Bowerman		2008-03-27
	Eloise Fisher		2008. Mar. 27

Attachment "D"

Committee Date: April 21, 2008

G/L Account: 058 6150 7366 005

Budget Remaining (69,440) (G) = (D) - (E) - (F)

Awarded to: Dig-Con International Limited

1. All figures exclude GST and include PST where applicable.

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Less Contingency		
Budget Remaining	<u>(\$69,440)</u>	

Funding for Shortfall

\$69,440.00 87-2800-200

Total	<u>\$69,440.00</u>
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Close upon final payment: NO

Future Financial Impact: YES

Finance Department Comments: YES