



MANAGEMENT REPORT

Date: September 23, 2024
To: Mayor and Council
From: Nathan Bottema, Project Engineer
Report Number: COU24-109
Attachments: None

Title: Consulting Services for the O'Loane Trunk Sanitary Sewer Extension

Objective: To retain a consultant to undertake consulting services for the O'Loane Trunk Sanitary Sewer Extension from 200 m south of Huron Street to Galt Road.

Background: The Stratford West Secondary Plan, completed in 2008, identified the O'Loane Trunk Sanitary Sewer Extension as part of the master servicing strategy to accommodate the predominantly residential growth in northwest Stratford. The first segment of the O'Loane Avenue Trunk Sanitary Sewer was completed in 2008, extending from the Water Pollution Control Plant to a point 200 m south of Huron Street. To ensure continued residential growth in Stratford, two new phases of the O'Loane Avenue Trunk Sanitary Sewer are proposed. At 420 m in length, the first phase would extend the trunk sewer from its current location 200 m south of Huron Street to Galt Road. The second phase would extend the trunk sewer 1830 m, from Galt Road to Perth Line 36 (Quinlan Road).

The City has received several preliminary planning applications that would support the immediate construction of approximately 900 residential units if the trunk sewer is built. The sewer would also provide immediate servicing for up to 2,000 units and the potential to service up to 8,600 units in the north end of Stratford over the long-term.

The 2024 approved budget included \$300,000 for consulting services to design the O'Loane Avenue Trunk Sanitary Sewer and allocated \$4.29 million in 2025 and 2026 for the first phase of sewer construction. In attempt to secure additional provincial financial support and enable unhindered residential growth, Staff applied for funding through the Housing Enabling Water System fund to complete the entire remaining trunk sewer. The intent was to leverage the allocated \$4.29 million of the City's own funds to access grants for the estimated \$15.3 million (includes a 25% contingency), needed to construct the entire 2,250m sewer system. Although the initial application was

unsuccessful, a second phase of the fund is now open (applications due November 1, 2024), and staff plan to submit a new application.

The City of Stratford prepared the scope for a Request for Proposal (RFP) seeking the services of a consultant team to obtain all approvals and complete the design, plans and specifications to issue the tender for the full O’Loane Trunk Sanitary Sewer Extension project. The consultant will also be responsible for contract administration and field inspections. The design shall include all necessary work to construct a sanitary trunk sewer across Huron Street using trenchless technology, and provisions for future connections at Huron Street and Galt Road.

The proposal was issued on July 4, 2024, using the City’s Bids and Tenders website, and closed on August 1, 2024. Two consultants, Alpine and Martin Consulting Ltd. and MTE Consultants Inc., submitted bids.

Analysis: A committee consisting of Council members and staff reviewed and evaluated the submissions received. The evaluation process was based on the following criteria:

Part A: Technical Proposal

Category	Available Points
Project Understanding and Implementation Plan	30
Company Experience and Project Team	30
Project Management	15
Total Available Points – Part A	75

Based on the City’s proposal evaluation process, firms that score a minimum of 75% in Part A (56.25 points) are eligible to have their financial proposal evaluated. Based on the above criteria, one firm met the requirement, MTE Consultants Inc. with 65.6 points.

Part B: Financial Proposal

The financial component of the qualified bid was opened, with MTE Consultants Inc. submitting a bid of \$241,586.40 (excluding HST).

Based on the evaluation criteria for Parts A and B as noted in RFP-2024-25, the Committee is recommending MTE Consultants Inc. be retained at a cost of \$272,992.63 including HST.

The estimated total project cost is \$245,838.32 after the HST partial rebate

The \$300,000 approved with the 2024 budget for this part of the project was to be funded as follows:

Source	Amount	Capital Budget Account
Development Charges	\$288,000	R-DIS-WWTR
Wastewater Reserves	\$12,000	R-R11-WWTR

Total: \$300,000

The actual costs will be proportionally allocated between development charges and reserve funds with any unspent remaining for future capital expenditures.

Financial Implications:

Financial impact on future year operating budget:

The eventual capital project work will increase annual operating and maintenance cost in future years as the trunk sewer is extended and utilized. The works should have nominal impact to the property tax levy, as all costs for sanitary are paid through user fees and user fee reserve funds.

The proposed construction of the first phase of trunk sewer is planned for inclusion in the upcoming 2025 budget for Council consideration. This section of trunk sewer was identified in 2022 Development Charges Background Study and By-law 41-2022, as a requirement to facilitate residential growth. Recovered development charges will eventually fund most of this project, however, interim external financing (long-term debt) may be required, especially if grant applications are unsuccessful. The Sanitary and Water reserve funds are the first considerations to support interim financing, though there is only enough available on hand to cover the first phase of the construction (\$4.29M).

Further information will be provided on the financial strategy over the next year, based on how successful the funding applications are, and as firmer pricing becomes available through the tendering process.

Link to asset management plan and strategy:

All new assets would be added to the asset management plan which include components like the trunk line, mains, valves, manholes and any technological components. New asset replacement for each component is planned for based on estimated useful life of those components. The increases to the asset base would increase future capital planning forecasts and funding strategies would be updated accordingly (noting again, that the funding strategies are based upon user fees for the water and wastewater assets).

Alignment with Strategic Priorities:

Enhance our Infrastructure

This project aligns with this priority as the new asset is an essential segment to maintain and expand residential growth within our community.

Alignment with One Planet Principles:

Equity and Local Economy

Creating safe, equitable places to live and work which support local prosperity and international fair trade.

Land and Nature

Protecting and restoring land for the benefit of people and wildlife.

Staff Recommendation: THAT the proposal of MTE Consultants Inc. for Consulting Services for the O'Loane Trunk Sanitary Sewer Extension (RFP-2024-25) in the amount of \$272,992.63, including HST, be accepted;

AND THAT the Mayor and Clerk, or their respective delegates, be authorized to sign the necessary Contract Agreement for contract RFP-2024-25.

Prepared by: Nathan Bottema, Project Engineer
Recommended by: Taylor Crinklaw, Director of Infrastructure Services
Joan Thomson, Chief Administrative Officer