



ACTION REQUEST REPORT Infrastructure Services

Report Number: 2025-010

Date: January 27, 2025

Prepared For: Council of the Township of South Glengarry
Prepared By: Sarah McDonald, P. Eng., GM Infrastructure Services
Subject: Award of RFP 2024-14 - Construction of Water Tower – Glen Walter

RECOMMENDATION:

THAT Staff Report 2025-010 be received and that the Council of the Township of South Glengarry award RFP 2024-14 for the Glen Walter Elevated Water Storage Tank to Landmark in accordance with their submission of \$7,793,000.00 excluding HST; and furthermore, that the General Manager of Infrastructure Services be authorized to sign all appropriate tender documents. Finally, the Council of the Township of South Glengarry acknowledges that the majority of the project funding will be debt financed and directs Administration to prepare for Council in February 2025, a by-law to finance the project and a by-law to allow for recovery of the debt payment.

BACKGROUND:

1. In 2021, Council [directed Administration](#) to apply for a grant opportunity to rehabilitate Glen Walter's Water Treatment Plant (WTP) water assets including:
 - a. rehabilitation of the existing reservoir with a new and elevated water storage tank with new pumps
 - b. replacement of existing watermains
2. Request for Proposal 2024-14 for the Construction of the Glen Water Elevated Water Storage Tank closed on December 18, 2024.
3. The Scope of Work for the project included the construction of the new and elevated water storage tank (water tower) with minor improvements to the watermains in the direct vicinity of the [tower's location](#).
4. The Scope of Work for RFP 2024-14 did not include replacement of existing watermains or new pumps for the existing Glen Walter WTP.
5. One (1) submission was received as follows:
 - a. Landmark Structures Co., \$7,793,000.00 excluding HST.

ANALYSIS:

- 6. The Tender from the low bidder, Landmark Structures Co., has been reviewed by the Consultant (Ainley Group) and is compliant and complete with the Tender requirements. The review is attached.
- 7. The submission is within 5% of the Engineer’s Estimate provided at the time of the tender issue. However, the submission is substantially higher than the estimates available at the time of the original project authorization (2021).
- 8. The Consultant and Administration are recommending that the project be awarded to Landmark Structures Co. per their submission.

BUDGET IMPLICATIONS:

- 9. Council committed \$589,000 from the Glen Walter Water Reserve towards the project at the time of the funding application.
- 10. The Township was successful in obtaining \$3,645,967.60 of funding. The funding contributions were:
 - c. Federal Contribution: \$1,988,800.00
 - d. Provincial Contribution: \$1,657,167.60
- 11. Council received a [presentation](#) from DFA Infrastructure International Inc. describing a Financing and Cost Recovery strategy for the Glen Walter Water Tower Project.
- 12. The total estimated cost of this project is summarized in the below table.

Items	Water Tower	Complete Project
A. Water Tower Construction	\$7,793,000	\$7,793,000
B. Watermain Replacement Construction	-	\$1,750,000
C. High Lift Pumps Replacement	-	\$200,000
D. Contract Administration	\$300,000	\$300,000
Cost of Entire Project	\$8,093,000	\$10,043,000
less Grant Funding	(\$3,645,967)	(\$3,645,967)
Township Contribution	\$4,447,033	\$6,397,032

- 13. **By awarding RFP 2024-14, Council is committing to financing between \$4.5M and \$6.4M**, pending the 2024 closing balance of the Glen Walter Reserves and future funding opportunities which Administration will continue to pursue.

14. Two financial by-laws will be required to support this project:
- a. By-law to finance the project
 - b. By-law to allow for recovery of the debt
15. Debt recovery strategies include a fixed annual charge per connection for existing connections and a connection fee for all new connections. New connections will not be available until the existing capacity constraints at both the WTP and Water Pollution Control Plant (WPCP) are resolved. Consideration to an annual fee from Fire Services for fire protection availability and ongoing maintenance of the hydrants.
16. Regardless of the debt recovery strategy selected, the debt cost per connection applied to each bill would likely be viewed as significant relative to the current [water and sewer rates](#).
17. The municipality's 2025 [Annual Repayment Limit](#) (ARL) has yet to be confirmed, however in 2024 the ARL was determined to be \$3,366,866.
18. The ARL is the maximum amount of a municipality's annual budget which may be used to pay principal and interest on long-term debt, barring special approval from the Ontario Land Tribunal.
19. The Township did not enter into any debt during 2024, and it is assumed that the ARL will not decrease for 2025.

OTHERS CONSULTED:

- CAO
- Treasurer
- Director, Water and Wastewater

ALIGNMENT WITH STRATEGIC PLAN:

Goal: Meet current demand and be ready for future growth.

ATTACHMENTS:

- Consultant Tender Analysis and Recommendation

**Recommended to Council for
Consideration by:
CAO Jamie Fawthrop**