

STAFF REPORT

THE CORPORATION OF THE TOWN OF COBOURG



Report to:	Mayor and Council Members	Priority:	<input checked="" type="checkbox"/> High <input type="checkbox"/> Low
Submitted by:	Brian Geerts, Director Community Services	Meeting Type:	Open Session <input checked="" type="checkbox"/> Closed Session <input type="checkbox"/>
Meeting Date:	September 26, 2022		
Report No.:	Community Services-122-22		
Submit comments to Council			

Subject/Title: Harbour Infrastructure Repairs – Tender Update

RECOMMENDATION:

THAT Council receive this report for information purposes, and
FURTHER THAT Council approve the cancellation of Tender CO-22-22 “Harbour Infrastructure Repairs” due to budgetary limitations.

1. STRATEGIC PLAN

Places - The Town protects, preserves and promotes its natural assets, heritage, arts, culture and tourism

Programs - The Town provides efficient and effective corporate, community, business and recreational services for its residents, businesses and visitors

Partnerships - The Town engages in strong, sustainable public-private partnerships to improve the quality of life for everyone

Prosperity - The Town plans for, markets and develops assets for economic resiliency and financial security

2. PUBLIC ENGAGEMENT

This project has come before Council through previous reports and presentations and due to the high public interest in this project, additional communications have been posted on the project's Engage Cobourg website, and information packages made available at the Marina office.

3. PURPOSE

To provide Council with an update on the results of the Harbour Infrastructure Repairs tender and also to inform Council of the next steps for the project.

4. ORIGIN AND LEGISLATION

Ontario Regulation 588-17, Asset Management Planning for Municipal Infrastructure, sets out the definitions and regulations for the maintenance, operation, and replacement of municipal assets. The Town of Cobourg has completed condition assessments of various harbour assets under the general guidance of the Asset Management Policy.

5. BACKGROUND

The Cobourg Harbour infrastructure, identified in the *2020 Shoreplan Engineering Limited Condition Assessment* report as being at or near end of life, will be repaired. This infrastructure includes six main structures:

- East and west breakwaters,
- North and east harbour basin walls
- Center pier, and
- Fuel dock

Repairs will include new basin walls and enhanced breakwaters to provide a safe harbour for decades to come.

Approval of the aforementioned work is per Council resolution 466-20 dated December 3, 2020.

The Harbour Infrastructure Repairs project were expected to be executed in two main phases:

1. Basin walls: Rehabilitation of the walls on the north and east side of marina basin as well as the fuel dock.

- Replace old walls with new steel sheet pile walls with a concrete cap along the water's edge.
- Restoration and proper backfilling behind the new walls to eliminate the need for maintenance due to sink holes and will include replacement of the paver stone walkway with a new concrete walkway
- Work will ensure a safe place for load in/ load out of boats

2. Breakwaters: Rehabilitation of the breakwaters that form the entrance to the harbour

- Existing concrete cap modified where required
- Additional stone material will be placed to build up the structures to provide additional protection and increase stability of the failed sections

The environmental permits related to infrastructure repairs have been received; these permits limit in-water work to the late fall and winter seasons for lakebed areas. More timing flexibility is given to in-harbour works.

6. ANALYSIS

The first phase of the contract (CO-22-22 CSD) was tendered on July 12, 2022 and closed on August 11, 2022.

The Town received six (6) bids indicating that there is high industry interest in the type and scope of work. As per Cobourg Bylaw 18-2022, Council is currently in a “Lame Duck Period”; the CAO currently has delegated authority to take action “where necessary”. The bids as described in section 7 of this report are all well over the project budget, and Council may not currently approve these additional expenditures.

Based on the proven market interest in this project, there is an opportunity to break the phases of work down into a smaller sub-phases that can still be completed during the winter of 2022-2023 and be completed within budget. For example, the East Basin wall can be tendered as a separate sub-phase for reconstruction this winter. Staff can rescope, adjust the phasing, and retender this work to ensure competitive pricing within the 2022 budget. Reconstructing this area would maintain project momentum and have minimal negative impact on the 2023 waterfront season, if any. In addition, staff will begin a pre-qualification process for future phases of the works to streamline approvals while maintaining quality and competitive pricing.

Although typically a larger project can attract more competitive bids, in this uncertain time of price escalation and supply delay, it is expected that a project with less scope and shorter schedule may be more attractive to contractors as there will be less uncertainty of further price escalations over a longer schedule.

7. FINANCIAL IMPLICATIONS/BUDGET IMPACTS

The following table summarizes the 2022 Phase 1 budget, updated Phase 1 cost estimate as of August 2022, and bids received under CO-22-22 rounded to the nearest \$10,000 and include corrections for arithmetical errors submitted on bids (listed in alphabetical order).

2022 Phase 1 Budget	\$4,950,000
August 2022 Updated Phase 1 Cost Estimate	\$6,630,000
Bronte Construction	\$7,580,000
East Elgin Concrete Forming	\$10,450,000
Enscon Ltd	\$7,720,000
Fidelity Engineering and Construction	\$9,820,000
Louis W Bray Construction	\$11,910,000
Seawaves Development Services	\$7,090,000

It should be noted that the updated Phase 1 cost estimate also far exceeded the 2022 budget substantially due to market supply demand and general price escalation.

In general, the harbour works are noted in the Capital budget as a “debenture”, which means a long-term loan that has an interest rate and a payment schedule. One of the defining characteristics of a debenture is that the loan is not backed by a specific asset as a security, which is a common scenario in the government sector. A capital project of this scale may be paid back on a short or long term, for example 5 or 20 years respectively. Details on the debt-financing strategy may be outlined in further detail during the 2023 budget process.

8. CONCLUSION

Considering the information and analysis described herein, Tender CO-22-22 CSD will be cancelled and the Harbour Infrastructure repairs will proceed as a redefined Phase 1a contract within 2022 allocated funds by adjusting the project scope, phasing, and schedule.

Report Approval Details

Document Title:	Tender CO-22-22 Harbour Infrastructure Update - Community Services-122-22.docx
Attachments:	
Final Approval Date:	Sep 15, 2022

This report and all of its attachments were approved and signed as outlined below:

Tracey Vaughan, Chief Administrative Officer - Sep 15, 2022 - 9:26 AM