

**Region of Waterloo**  
**Corporate Services**  
**Treasury Services (Procurement)**

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**To:** Regional Council  
**Meeting Date:** January 24, 2024  
**Report Title:** T2023-206 Doon Village Utility Replacement

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**1. Recommendation:**

That the Regional Municipality of Waterloo take the following action with respect to T2023-206 Doon Village Utility Replacement as set out in report COR-TRY-24-005 dated January 24, 2024:

- a) Accept the tender of AVERTEX Utility Solutions Inc. for T2023-206 Doon Village Utility Replacement in the amount of \$1,233,656.00 plus all applicable taxes;
- b) Increase the 2024 Capital Budget for project 42043 Doon Village Utility Replacement in the amount of \$991,500 to be funded from the Cultural Services Capital Reserve.

**2. Purpose / Issue:**

Purchasing by-law 22-034 Section 9 item 3 requires Council approval for tenders in excess of \$150,000 but less than \$10,000,000 if the tender with the best overall cost that is compliant exceeds the budget for the acquisition of the goods and services and approval from Council to increase the budget is desired.

**3. Strategic Plan:**

The award of this contract aligns with all four pillars of the 2023-2027 Corporate Strategic Plan: Homes for all, Climate aligned growth, Equitable services and opportunities, and resilient and future-ready organization.

**4. Report Highlights:**

- Tenders were called for T2023-206 Doon Village Utility Replacement and were advertised on the Region’s website.
- The following tenders were received:

AVERTEX Utility Solutions Inc.	Amaranth, ON	\$1,233,656.00
Drexler Construction Limited	Rockwood, ON	\$1,785,000.00
Tristar Electric Inc.	Scarborough, ON	\$1,926,904.09
Clearway Utilities Inc	Maple, ON	\$2,150,068.00

- The work under this contract includes the upgrading of the current services to the Doon Heritage Village as well as bringing new utilities to buildings that currently have no power to make them future ready to receive electric loading. Scope includes moving the existing services from overhead power lines to underground to give the Village a more heritage appearance. Water will also be provided to the buildings to allow for efficient cleaning practices. This project is being completed to enable the Village to operate year-round for various programming activities.
- Some of the existing buildings in the Village are currently heated by propane. Climate Action WR has targets to reduce all fuel oil and propane use for building heating by 2025.
- To align with Climate Action WR's target to reduce GHG emissions 30% by 2030, the initial scope that was tailored for gas infrastructure was redesigned to allow for electrical infrastructure. A detailed examination of the cost breakdown reveals that \$967,031 of the total project cost is attributed to electrical services. The notable increase is largely attributed to the electrical additions and installation of five new transformers plus wiring, ducts and vaults, required for enhancing hydro capacity to support implementation of heat pumps in the 22 historically significant interpretation buildings.
- The transformer market is also presently experiencing heightened volatility, marked by a surge in demand that is driving up transformer prices and rendering their procurement more difficult.
- A capital budget amendment is required as the cost of the work exceeds the budget available in the 2024-2033 Cultural Services Capital Program (with additional funding from capital reserves).
- The final date of acceptance for this tender is January 29, 2023.

## 5. Background:

Council received an update report (PDL-CUL-23-016 Doon Heritage Village Refresh Project Update) on the project from a program perspective in the December committee cycle (attached as Appendix A). This project was originally designed in 2021 and a full redesign was completed in 2023 to suit the growing needs of the programming and to reduce greenhouse gas emissions by transitioning from natural gas and propane to electrical infrastructure. The project and the budget was originally split up into two

phases to minimize disruption of museum programming to take place over two years.

The project scope includes:

- Excavation and directional boring to bring new utilities throughout the Village within a floodplain, upgrade existing service as well as bringing the existing power lines underground to provide a heritage appearance
- Provide water lines to each of the buildings that currently are without for more efficient cleaning practices
- Provide the infrastructure and cabling to bring wi-fi throughout the site for future install
- Supply and installation of two (2) oil-filled 100kV, 8kV – 120/240V pad-mounted transformers, one (1) 167kV, 8kV – 120/240V pad-mounted transformer, two (2) oil-filled 100 kVA, 8kV – 120/240V 1-phase, 3 wire pole-mounted transformers.
- Staff engaged a consultant to design the project, provide budget estimates, and outline how the two phases could be undertaken. The Phase 1 tender closed in June and the Region received only one (1) submission which exceeded the entire project budget by tenfold (both phases 1 and 2). Staff opted to cancel the tender, anticipating that reissuing it as one tender may elicit more responses and bring it in closer to the project budget. The phases were combined and a project tender was reissued as one complete package to be complete by end of 2024. This timeline will still meet the schedule that was approved at the start of tendering. Other capital upgrade works have been underway on site, taking advantage of the current closure.

## 6. Area Municipality Communication and Public/Stakeholder Engagement:

Nil.

## 7. Financial Implications:

T2023-206 (includes construction contingency of \$40,000)	\$1,233,700
Consulting Services, Permits and Approvals	\$78,000
Regional Engineering and Internal Fees	\$65,600
Project Contingency	\$110,000
Plus: Applicable Net HST of 1.76%	<u>\$26,200</u>
Total	<u><u>\$1,513,500</u></u>

Note: All figures are rounded to the nearest \$100.

The Region's approved 2024-2033 Cultural Services Capital Program includes \$522,000 in 2024 for Upgrade/Replace Utility Services (project # 42043) to be funded from the Cultural Services Capital Reserve.

The cost of this work exceeds the project budget by \$991,500. There is sufficient capacity in the Cultural Service Capital Reserve to cover the increase in the project cost. The estimated balance in the Cultural Services Capital Reserve is \$6.1 million at the end of 2023. Future iterations of the capital program may require adjustments to the scope and timing of other projects to accommodate this increase.

**8. Conclusion / Next Steps:**

Subject to Council approval, the work of this contract will begin spring 2024, with completion expected by end of 2024.

**9. Attachments:**

Appendix A: PDL-CUL-23-016, Doon Heritage Village Refresh Project Update  
Report from Dec 5, 2023.

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**Approved By:** Craig Dyer, Commissioner Corporate Services/Chief Financial Officer