

ADDENDUM

REGULAR MEETING OF CITY COUNCIL

2011 02 07

4:30 P.M.

COUNCIL CHAMBERS

PART ONE – CONSENT AGENDA

3. APPROVE AGENDA AS PRESENTED

Mover: Councillor T. Sheehan

Seconder: Councillor M. Bruni

Resolved that the Addendum for the 2011 02 07 City Council meeting as presented be approved.

5. COMMUNICATIONS AND ROUTINE REPORTS OF CITY DEPARTMENTS; BOARDS AND COMMITTEES

(r) Council Travel

Moved by - Councillor T. Sheehan

Seconded by - Councillor M. Bruni

Resolved that Councillor Lou Turco be authorized to travel to a FONOM meeting being held in Sudbury, Ontario (1 day in February) at no cost to the City.

6. REPORTS OF CITY DEPARTMENTS; BOARDS AND COMMITTEES

(3) ENGINEERING

(a) Contract 2011-2E – Pine Street Extension- Northern Aveue to Second Line

A report of the Design and Construction Engineer is attached for the consideration of Council.

The relevant By-laws 2011-28 and 2011-29 are listed under Item 10 of the agenda will be read with all other by-laws listed under that item.

6.(8) **BOARDS AND COMMITTEES**

(a) **EDF Request – Sault Ste. Marie Delegation Visit to India**

A request of Acting CEO, SSM Economic Development Corporation is attached for the consideration of Council.

Mover: Councillor T. Sheehan

Seconder: Councillor F. Fata

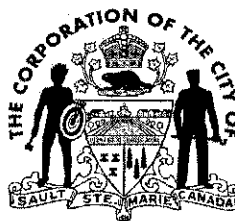
Resolved that the report of the Acting CEO, SSM Economic Development Corporation dated 2011 02 02 concerning EDF Request – Sault Ste. Marie Delegation Visit to India be accepted and the recommendation to approve the travel of a 6 person delegation from Sault Ste. Marie to visit Essar's headquarters in India at a cost of approximately \$50,000 to be funded from the 2010 Economic Diversification Fund surplus; and

Further that the delegation consists of Mayor Debbie Amaroso, CAO Joe Fratesi, Commissioner of Finance and Treasurer Bill Freiburger, Commissioner of Engineering and Planning Jerry Dolcetti, a member of the SSMECD Board of Directors and the SSMECD Director of International Relations and Global Logistics Randy Tallon.

6(3)(a)

Jerry D. Dolcetti, RPP
Commissioner

Don J. Elliott, P. Eng.
Director of Engineering Services



ENGINEERING & PLANNING DEPARTMENT

Engineering & Construction Division

Tel: (705) 759-5378
Fax: (705) 541-7165

2011 02 07

Our File: Contract 2011-2E

Mayor Debbie Amaroso and
Members of City Council
Civic Centre

**RE: CONTRACT 2011-2E
PINE STREET EXTENSION
NORTHERN AVENUE TO SECOND LINE**

Tenders received for Contract 2011-2E were opened at a public meeting Thursday, February 3, 2011 in the Steelton Room of the Civic Centre. Present at the opening was Councilor Steve Butland as well as City staff and contractor representatives.

The Engineering Division intended to recommend awarding at the 2011 02 22 meeting, however, the low bidder has requested approval to remove trees from the right-of-way this week due to availability of equipment. That is why we have proceeded by addendum this evening. Should Council require more time to consider the contract award, the Engineering Division requests approval to authorize the contractor to proceed with clearing of trees only.

The contract calls for the first phase of the extension of Pine Street from Northern Avenue to Second Line a total length of approximately 500 metres of new road including new sanitary sewers, storm sewers and watermain.

A total of six (6) tenders were received. All tenders submitted were found to be complete and are summarized on the attached sheet. The low tender of **\$ 2,185,664.74** (including HST) was received from Avery Construction Ltd. which is lower than the **\$3,087,951** (including HST) construction estimate. It is also within the amount budgeted in the 2011/12 capital construction plan approved at the 2010 06 28 meeting of Council. Accordingly, we recommend Contract 2011-2E be awarded to Avery Construction Limited.

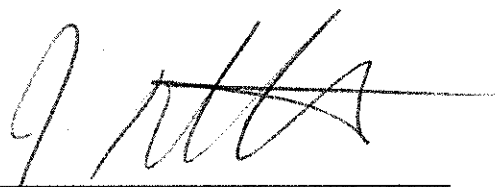
By-law **2011-28** authorizing execution of the Contract and By-law **2011-29** authorizing a periodic road closure of Northern Avenue at the Pine Street intersection from May 1, 2011 until October 31, 2011, have been placed elsewhere on the Agenda for your consideration. Alternatively, should Council require more time to consider the contract award, the Engineering Division requests approval to authorize the contractor to proceed with clearing of trees only, and the contract can be awarded at the February 22, 2011 meeting.

Respectfully submitted,

Recommended for Approval:



Carl Rumiel, P. Eng.
Design & Construction Engineer



Jerry D. Dolcetti, RPP
Commissioner
Engineering & Planning Department

CR/al

attach

February 4, 2010
Ref. No. 0919.08

City of Sault Ste. Marie
Civic Centre
P.O. Box 580, 99 Foster Drive
Sault Ste. Marie, ON
P6A 5N1

Attention: Mr. Carl Rumiel, P.Eng.
Design and Construction Engineer

Re: Pine St. Extension – Northern Ave. to Second Line
City Contract 2011-2E

Dear Mr. Rumiel:

We have reviewed the tenders received at the Sault Ste. Marie Clerk's Office on February 3, 2011 for the above-noted Contract and present herein our Tender Report and Recommendations.

1.0 Introduction

The contract generally consists of supplying all materials, labour and equipment necessary for the construction of an extension of Pine Street from Northern Avenue to Second Line, a total length of approximately 500 metres of new road including new sanitary sewers, storm sewers and watermain.

The contract was publicly advertised in the Sault Star on Saturday, January 8, 2011. As per the tender ad, tender documents were made available to contractors who provided the required refundable deposit of \$50.00. There were a total of fourteen (14) plan takers. Documents were also provided to the Sault Ste. Marie Construction Association, Sudbury Construction Association and the PUC Services Inc.

During the tender period, various inquiries from plan takers were received regarding the technical specifications and drawings. A total of four (4) Addenda were issued to provide clarification on issues as they arose throughout the tender period.

2.0 Summary of Tenders

Six (6) bids were received at the City Clerk's office prior to the tender closing deadline of 3:00 p.m. on Thursday, February 3, 2011. The tenders were publicly opened at 3:15 p.m. on the same day in the Civic Centre's Steelton Room. At the time of the opening, the tender values were read publicly and were reviewed to ensure the submissions were in general compliance with the tender documents including the required tender deposit (ie. \$100,000.00 certified cheque) and an agreement to bond. All tender deposits were retained by the City for return to the bidders at a later date.

The following were the results in ascending order of Tender Value, including HST, as read at the public opening:

	Contractor	Total Tender Value
1.	Avery Construction Limited	\$2,185,664.74
2.	Ellwood Robinson Limited	\$2,305,334.81
3.	R M Bélanger Limited	\$2,316,379.65
4.	Pioneer Construction Inc.	\$2,455,156.11
5.	Boyer Construction	\$2,553,923.17
6.	Palmer Construction Group Inc.	\$2,808,986.77

The tender prices include an allowance of \$200,000.00 for contingencies (unforeseen extras). The Engineer's pre-tender estimate for this contract was \$3,087,951.00 including HST.

Following the tender opening, the submissions were brought to KEC's office for a detailed review including checking for any mathematical errors that would result in a change to the tender prices.

The original copies of each Tender Submission are enclosed with this Tender Report and a copy of the Engineer's estimate is attached in Appendix 1.

3.0 Tender Review

The tenders were reviewed in detail with respect to requirements set out in the Information for Tenderers and the requirements identified in the Form of Tender.

The following specific comments were noted from the review of the tenders:

1. All tenders submitted were properly executed with the bidder's signature and witnessed and/or sealed.
2. All tenders were checked for mathematical errors.
 - a) A minor error was discovered in the Tender from Avery Construction Ltd. resulting in an adjustment to their bid of -\$20.00 (plus HST).
 - b) A \$140,000 error was discovered in the Tender from Palmer Construction Group Inc. It appears that this error was due to a misplaced decimal in a unit price and therefore we recommend that the Owner consider the intent of the bidder. Neither of these errors affect the ranking of bids received.
3. The Instructions to Tenderers indicated that all tenders were to include a \$100,000.00 bid deposit, in the form of a certified cheque. All bidders complied with the submission of a certified cheque in the specified amount.
4. The tender documents called for submission of Statements 'A' to 'D' which outline the tenderers' work experience, staff, available construction plant and proposed sub-contractors. All bidders complied.
5. A Statement of Canadian Content was also required to be completed and submitted with the bids, each Tenderer properly completed this Statement.

(23X2)

6. The tenderers were required to submit an Agreement to Bond certifying the Contractor can obtain the required Performance and Labour and Material Payment bonds. All tenderers complied.
7. All tenderers were required to acknowledge receipt of Addenda. All bidders acknowledged receipt of the four (4) addenda issued.

4.0 Discussion

From our review of the bids received for this contract, we note that all submissions were in compliance with the requirements outlined in the tender documents.

All bidders seem to have the necessary experience and background with similar projects as outlined on Statement 'A' provided with each tender. With respect to the low tenderer, Avery Construction Limited, they have successfully completed numerous similar contracts in the past within the City of Sault Ste. Marie.

5.0 Recommendations


Based on our review of the tenders submitted and specifically the low tender submitted by Avery Construction Limited, we believe the prices quoted, are reasonable for the proposed work under Contract 2011-2E. Furthermore, based on our knowledge of their related experience, it is our opinion that Avery Construction Limited is capable of carrying out and completing the work under this contract. We recommend that the tender submitted by Avery Construction Limited in the amount of \$1,934,216.58 (excluding HST) be accepted for award.

Attached please find a Draft Form of Agreement for your review.

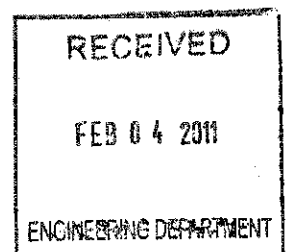
We further recommend that Tender Deposits received from Ellwood Robinson Limited and R.M. Bélanger Limited be retained until a contract has been properly and fully executed by Avery Construction Limited. All other deposits should be returned without undue delay.

Please call should you have any questions or require further elaboration / clarification regarding this Tender Report.

Yours very truly,
Kresin Engineering Corporation


Michael Kresin, P. Eng.
Consulting Engineer

Encl.
MK/ew
0919 Tender Report



February 2, 2011

Greg Punch, President and Chair
And SSMEDC Board of Directors

Re: EDF Request – Sault Ste. Marie Delegation Visit to India

Background:

On November 9, 2009, City Council under Communications and Routine Reports of City Departments; Boards and Committees received a letter (attached) from the previous CEO Essar Steel Algoma to the CAO of the City of Sault Ste. Marie following-up on an invitation sent to the previous Mayor for him and a Sault Ste. Marie delegation to visit with the Ruia family (founders of the Essar Group of companies) in India. This visit did not happen at that time due to the previous Mayor's illness and the subsequent determination that this visit should best take place following the election of the new City Council and Mayor.

On January 14, 2011, the current CEO Essar Steel sent a letter (attached) to Mayor Amaroso regarding a delegation from Sault Ste. Marie visiting Essar's headquarters in India and related operations from March 22 thru March 24, 2011.

Purpose:

The purpose of this visit by the Sault Ste. Marie delegation with the Ruia family (founders of the Essar Group of companies) in India would be fivefold:

- (i) The Essar Group has been interested in the North American continent with investments in various sectors including mining, steel and communications. The Essar Group would like to understand Sault Ste. Marie's vision and are keen to make further progress on discussing the synergies between the City and Essar which can be mutually beneficial;
- (ii) The Sault Ste. Marie delegation could speak of the community's current stability and future plans and how the Essar family of companies might complement these plans;
- (iii) This delegation from Sault Ste. Marie travelling to India would be an acknowledgement of the Essar Group's contributions to date to the community;
- (iv) A site visit to the Essar Group's steel plant at Hazira and their refinery at Jamnagar which will present to the Sault Ste. Marie delegation the scale of those operations in India; and
- (v) This visit could be viewed as "exploratory" for both the community and the Essar Group and would form the basis of planning for possible future discussions including the deep water port.

Proposed Delegation:

It is proposed that the Sault Ste. Marie delegation consist of the following 6 delegates:

- Mayor, City of Sault Ste. Marie – Debbie Amaroso;
- CAO, City of Sault Ste. Marie – Joe Fratesi;
- Commissioner of Finance, City of Sault Ste. Marie – Bill Freiburger;
- Commissioner of Engineering and Planning – Jerry Dolcetti;
- A Member of SSMEDC's Board of Directors; and
- SSMEDC Director International Relations & Global Logistics – Randy Tallon.

EDF Funding:

The EDF has previously approved funding for an out-bound mission that has the potential to lead to positive economic development in Sault Ste. Marie. In this case, it is estimated that the cost of a 6 person Sault Ste. Marie delegation to visit the Ruia family (founders of the Essar Group of companies) in India including airfare, accommodation, food, etc. could be up to \$50,000. Current plans call for the delegation to depart Sault Ste. Marie on Thursday, March 17 and return on Friday, March 25, 2011. Based on the purpose of this visit, it would appear that the assistance being requested for this delegation to visit the Essar Group in India has the potential to generate significant additional benefits for Sault Ste. Marie over and above the up to \$50,000 being requested in EDF funding.

It should be noted that after discussions with the Commissioner of Finance for the City of Sault Ste. Marie, it is being proposed that this up to \$50,000 for this delegation to visit India would come from 2010 EDF reserves.

Recommendation:

Therefore, it is the Acting CEO's recommendation for the SSMEDC Board's consideration that:

The SSMEDC Board recommends that City Council approve up to \$50,000 from the EDF toward the costs for a 6 person Sault Ste. Marie delegation to visit the Ruia family (founders of the Essar Group of companies) in India.

Respectfully submitted,



Dave Murphy
Acting CEO, SSMEDC

Sault Ste. Marie Economic Development Corporation
Board of Directors Meeting

Monday, February 7, 2011

Russ Ramsay Board Room, Civic Centre
11:30 am.

AGENDA ITEM 5.4

Mover: Mike Moore

Seconder: Lori Naccarato-Sarlo

Resolved that the Report of the Acting CEO dated 2011 02 02, concerning the EDF Request for Sault Ste. Marie delegation visit to India be accepted; and

That the recommendation that the Board endorse the request and recommends that City Council approve up to \$50,000 from the EDF toward the costs for a 6 person Sault Ste. Marie delegation to visit the Ruia family (founders of the Essar Group of companies) in India. CARRIED.

Armando Plastino
Chief Executive Officer
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105 West Street
Sault Ste. Marie, Ontario
Canada P6A 7B4
T +1 - 705 - 945 2351
F +1 - 705 - 945 2203
www.algoma.com

November 9, 2009

Sent via E-mail joe.fratesi@cityvssm.on.ca

Mr. Joseph Fratesi
Chief Administrative Officer
City of Sault Ste. Marie
Civic Centre - 99 Foster Drive
Sault Ste. Marie, ON P6A 5X6

Dear Mr. Fratesi:

RE: Visit to Essar India

This letter comes as a follow-up to an invitation sent to the Mayor for him and a Sault Ste. Marie delegation to visit with the Ruia family in Mumbai, India. As the purpose of the trip is to gain a better understanding of Essar's global interests, it would seem appropriate that the delegation be comprised of the following people:

John Rowswell - Mayor,
Joe Fratesi - Chief Administrative Officer,
Bruce Strapp - EDC,
Bill Freiburger - Commissioner of Finance and Treasurer,
Jerry Dolcetti - Commissioner of Engineering and Planning.

This group of individuals could speak of Sault Ste. Marie's current stability and future plans and how the Essar family of companies might complement those plans. The trip could be viewed as "exploratory" for both the City and Essar Global and would form the basis of planning for possible future discussions.

I am proposing that travel takes place some time between the last week of January and early part of March. Please advise if this is acceptable to you as I will need to begin making the appropriate arrangements with the Ruias.

Yours truly,

c: J. Rowswell

/ag

Malay Mukherjee
Chief Executive Officer

ESSAR
STEEL

January 14, 2011

The Honorable Debbie Amaroso,
Mayor of Sault Ste. Marie,
Ontario, Canada.

Essar Steel Business Group
Essar House
11 K. K. Marg
Mahalaxmi
Mumbai 400 034
India

T +91 22 6660 1100
D +91 22 6660 1802
M +91 98 1973 0500
F +91 22 6615 5444
E malay.mukherjee@essar.com

www.essar.com

Dear Mayor Amaroso,

Sub: Sault Ste. Marie Delegation visit to Mumbai, India.

At the outset, I would like to wish you a very Happy and Prosperous New Year.

We are glad to receive your acceptance of our invitation to visit Essar's Headquarters in Mumbai and it is our pleasure to receive your delegation. We would like to propose 22nd to 24th March as convenient dates for your visit.

The Essar Group has been interested in the North American continent with investments in various sectors including Mining, Steel and Communications. We would like to understand your vision of Sault Ste. Marie and are keen to make further progress on discussing the synergies between the city and Essar which can be mutually beneficial.

Furthermore, we would like to propose a visit to our Steel plant at Hazira and our refinery at Jamnagar which will present to you our scale of operations in India.

In order to take this forward, please send us the names of the delegates along with their passport copies, so we can arrange for the necessary logistics for your visit.

We look forward to welcoming you to Mumbai.

Best regards,

Sincerely,



Malay Mukherjee

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW NO. 2011-29

TEMPORARY STREET CLOSING: (S.2.) A by-law to permit the periodic temporary closing of Northern Avenue at the Pine Street intersection from May 1, 2011 until October 31, 2011.

THE COUNCIL of the Corporation of the City of Sault Ste. Marie pursuant to section 11 of the Municipal Act 2001, S.O. 2001, c.25 and amendments thereto **ENACTS** as follows:

1. **TEMPORARY PERIODIC CLOSURE OF NORTHERN AVENUE AT THE PINE STREET INTERSECTION**

The Council hereby authorizes the periodic closing to vehicular traffic of Northern Avenue at the Pine Street Intersection from May 1, 2011 until October 31, 2011.

2. **EFFECTIVE DATE**

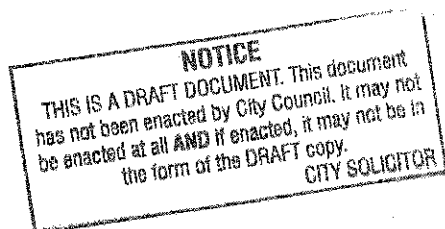
This by-law takes effect on the day of its final passing.

PASSED in open Council this 7th day of February, 2011.

MAYOR – DEBBIE AMAROSO

CITY CLERK-MALCOLM WHITE

dalbylaws\2011\2011-29 Northern Ave street closing



THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW 2011-28

AGREEMENT: (E.3.4.) A by-law to authorize a contract between the City and Avery Construction Ltd. for the first phase of the extension of Pine Street from Northern Avenue to Second Line. (Contract 2011-2E)

THE COUNCIL of the Corporation of the City of Sault Ste. Marie, pursuant to The Ontario Heritage Act, R.S.O. 1990, c.O.18, **ENACTS** as follows:

1. **EXECUTION OF DOCUMENT**

The Mayor and the Clerk are hereby authorized for and in the name of the Corporation to execute and affix the seal of the Corporation to a contract in the form of Schedule "A" attached hereto, dated February 22, 2011 and made between the City and Avery Construction Limited for the first phase of the extension of Pine Street from Northern Avenue to Second Line.

2. **SCHEDULE "A"**

Schedule "A" forms part of this by-law.

3. **EFFECTIVE DATE**

This by-law takes effect on the day of its final passing.

PASSED in open Council this 7th day of February, 2011.

MAYOR – DEBBIE AMAROSO

CLERK – MALCOLM WHITE

da Bylaws\2011\2011-28 Agreement Avery Construction

NOTICE

THIS IS A DRAFT DOCUMENT. This document has not been enacted by City Council. It may not be enacted at all AND if enacted, it may not be in the form of the DRAFT copy.

CITY SOLICITOR

SCHEDULE "A"

CORPORATION OF THE CITY OF SAULT STE. MARIE
CONTRACT NO. 2011-2E
FORM OF AGREEMENT

This Agreement made (in triplicate) this 22nd day of February in the year 2011 by and between

Avery Construction Limited hereinafter called the "Contractor"

AND

The Corporation of the City of Sault Ste. Marie, Ontario hereinafter called the "Corporation".

WITNESSETH: That the Contractor and the Corporation undertake and agree as follows:

1. The Contractor will provide all the materials and all the works shown and described in the contract documents entitled:

PINE STREET EXTENSION
NORTHERN AVENUE TO SECOND LINE
Contract No. 2011-2E

which have been signed in triplicate by both parties and which were prepared under the supervision of Jerry D. Dolcetti, R.P.P., Commissioner of Engineering and Planning, acting as and herein entitled, the Owner.

2. The Contractor will do and fulfil everything indicated by the Agreement, the General Conditions, the Specifications, the Special Provisions, Instructions to Tenderers, Form of Tender, Addenda, if any, and the Drawings.
3. The Contractor will complete all the work under the supervision and direction and to the entire satisfaction of the Owner within the period of time specified.
4. The Corporation shall pay to the Contractor the contract price as set forth in the Form of Tender in accordance with the provisions as set forth in the General Conditions and the Special Provisions. The quantities contained in the Form of Tender are approximate only and the final payment shall be made for the actual quantities that are incorporated in or made necessary by the work covered by the contract.

5. The Corporation shall pay the Contractor for work that is ordered in writing by the Engineer and that cannot be classified as coming under any of the contract units and for which no unit price, lump sum, or other basis can be agreed upon, on a time and material basis as set out in the General Conditions.
6. The Contractor shall indemnify and save harmless the Corporation, its officers, employees and agents, from all loss, damages, costs, charges and expenses of every nature and kind whatsoever which may be made or brought against the Corporation, its officers, employees and agents, by reason or in consequence of the execution and performance or maintenance of the work by the Contractor, its employees, agents or officers.
7. All communications in writing between the Corporation, the Contractor and the Engineer shall be deemed to have been received by the Addressee if delivered to the individual, a member of the firm or an officer of the Corporation for whom they are intended or if sent by post or by telegram addressed as follows:

The Corporation: The Corporation of the City of
Sault Ste. Marie
P. O. Box 580
Civic Centre, 99 Foster Drive
Sault Ste. Marie, ON
P6A 5N1

The Contractor: Avery Construction Limited
940 Second Line West
Sault Ste. Marie, ON
P6C 2L3

The Engineer: Kresin Engineering Corporation
536 Fourth Line East
Sault Ste. Marie, ON
P6A 5K8

IN WITNESS WHEREOF the parties hereto have executed this Agreement by the day and year first above written.

Signed, Sealed and Delivered
in the presence of

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

Mayor – Debbie Amaroso

(seal)

City Clerk – Malcolm White

AVERY CONSTRUCTION LIMITED

Signing Officer

(seal)

Signature