

**DATE:** February 10, 2025

**REPORT NO:** O-04-2025

**SUBJECT:** **St. Ann's Road Reconstruction – Enbridge Gas Relocation & CP Rail Crossing Upgrade**

**CONTACT:** Ray Vachon, Manager - Capital Projects  
Mike DiPaola, Director of Operations

**OVERVIEW:**

- The St. Ann's Road Reconstruction is a multi-year project, with 83.33% funding from the Government of Canada and Government of Ontario under the Investing in Canada Infrastructure Program (ICIP).
- The Municipal Class Environmental Assessment and preliminary design was completed in 2023.
- The detail design has been under way since Spring of 2024 and is near completion.
- The Township's portion of the costs to relocate Enbridge Gas infrastructure to accommodate the St. Ann's Road reconstruction project is \$965,266.74 (excludes HST).
- The cost to upgrade the CP Rail crossing as part of this project is \$158,265.71 (excludes HST).
- Funding is allocated in the 2025 Capital Budget totaling \$4,698,750.00 to cover the gas relocations and CP rail work and the estimated construction cost for the St. Ann's Road reconstruction contract.
- Enbridge Gas and CP Rail only utilize their own forces and/or approved contractors to complete work on their infrastructure, therefore the Township cannot proceed with the competitive procurement process as required in our Tendering and Purchasing Policy, but instead will be proceeding with the Purchase by Negotiating clause of the policy.
- Administration is requesting approval to proceed with issuing purchase commitment letters to Enbridge Gas and CP Rail.

**RECOMMENDATION:**

1. That, Recommendation Report RFD O-04-2025, titled "St. Ann's Road Reconstruction – Enbridge Gas Relocation & CP Rail Crossing Upgrade", dated February 10 2025, be received; and

2. That Council approve Administration to proceed with issuing purchase commitment letters to Enbridge Gas for \$965,266.74 (excludes HST), and CP Rail for \$158,265.71 (excludes HST).

## **ALIGNMENT TO STRATEGIC PLAN:**

### **Theme # 1**

- **Build - a safe, connected, caring and active community**

## **BACKGROUND:**

In 2018, the Government of Canada and Government of Ontario signed an Integrated Bilateral Agreement for the Investing in Canada Infrastructure Program (ICIP) which promised \$180 billion for infrastructure projects for rural and northern communities. The Township of West Lincoln applied for this funding stream for the St. Ann's Road Reconstruction project, and received approval in April 2020 for a total eligible project cost of \$4,981,250.00. The ICIP funding covers 83.33% of total eligible project costs, which is \$4,150,875.63. The Township is responsible for the 16.67% balance of total eligible project costs of \$830,374.37. One of the conditions for this funding is that construction and the project must be completed by October 31, 2026.

The project is located in hamlet of St. Ann's, includes the road reconstruction of Ann's Road from Twenty Mile Road (RR 69) southerly to RR20, drainage and storm sewer improvements, bridge rehabilitation, and sidewalk replacement. See Schedule A for project location plan.

In the Summer of 2021, the Municipal Class Environmental Assessment and preliminary design was awarded to Kerry T. Howe Engineering Ltd., (Report PW-16-2021) and work was completed in late 2023.

In April 2024, Urban & Environmental Management Inc. (UEM) was awarded (Report PW-08-2024) the detailed design of the project and has been working on completing the design, which includes coordination with utility relocations and CP Rail.

During the detailed design, it was determined that gas relocations would be required to accommodate the new road design and construction work. The consultant and Administration met with Enbridge several times to discuss requirements. Enbridge proceeded to work on their relocation design and provided the Township with an estimate to relocate their gas infrastructure, which consist of a relocating and lowering a high pressure 6" mainline and intermediate pressure 2" mainline, along with reconnecting services. The total estimated cost for the gas relocation is \$2,251,351.00. As per the 65/35 cost sharing as outlined in the franchise agreement between Enbridge Gas and the Township, the Township's portion of the total costs including overhead cost is \$965,266.74 (excludes HST).

The consultant and Administration also met with CP Rail to discuss the crossing on St.

Ann’s Road. The crossing is in a poor condition and causes some drainage issues. Since the crossing is not on CP Rail’s capital work forecast, any work to rehabilitate it will be paid by the Township. CP Rail provided an estimate to Administration to complete the rehabilitation of the crossing. Total cost is \$158,265.71 (excludes HST). This includes new concrete panels, replacement of some rail ballast and ties, and drainage improvements.

Both the Enbridge gas relocation and CP Rail crossing improvements are eligible expenditures under the ICIP funding program.

**CURRENT SITUATION:**

As part of the 2025 Capital Budget, Administration included \$4,698,750.00 for the construction work and utility relocations for the St. Ann’s Road Reconstruction project. The table below summarizes the project budget requests for 2025:

St. Ann’s Road Reconstruction (Project ID 976)	\$3,148,750.00
St. Ann’s Road Bridge Rehabilitation (Project ID 14)	\$ 650,000.00
St. Ann’s Road Storm Sewers* (Project ID 1032)	\$ 700,000.00
St. Ann’s Road Sidewalks (Project ID 1036)	\$ 200,000.00
<b>Total 2025 Capital Budget Request:</b>	<b>\$4,698,750.00</b>

\* Ineligible cost.

The utility relocation work and the CP Rail improvements are accounted for in the 2025 Draft Township Capital Budget, as presented to Council through Report T-01-2025 at the Council Meeting on January 27, 2025, within the St. Ann’s Road Reconstruction budget (Project ID 976) of \$3,148,750.00.

Both Enbridge Gas and CP Rail utilize their own forces and/or approved contractors to complete their work, therefore the Township cannot proceed with a competitive procurement process for this work as required in our Tendering and Purchasing Policy. Administration will proceed with the Purchase by Negotiation clause of that policy. Since the total costs, for both pieces of work, are above the \$100,000.00 policy threshold, Council approval is required.

Administration is requesting the approval to proceed with issuing purchase commitment letters to Enbridge Gas for \$965,266.74 (excludes HST) and CP Rail for \$158,265.71 (excludes HST).

This work needs to be done ahead of the General Contractor that will be retained to complete the road reconstruction project once the project is tendered.

**FINANCIAL IMPLICATIONS:**

Funding sources for the requested Enbridge Gas and CP Rail purchase commitment letters are shown below:

Capital Project ID #976	Total Cost (incl. Net HST)	Funding Sources		
		ICIP	OCIF	Total
Enbridge Gas	\$ 982,255.43	\$ 818,513.45	\$ 163,741.98	\$ 982,255.43
CP Rail	\$ 161,051.18	\$ 134,203.95	\$ 26,847.23	\$ 161,051.18
<b>Totals</b>	<b>\$ 1,143,306.61</b>	<b>\$ 952,717.40</b>	<b>\$ 190,589.21</b>	<b>\$1,143,306.61</b>

This portion of the project is eligible for 83.33% funding through the ICIP grant, with the remaining funding coming from the OCIF grant.

The remaining \$3,555,443.39 of the 2025 Capital Budget for this project will be to award the construction tender to a general contractor, through a competitive procurement process, and to cover the cost associated with contract administration and construction inspection services.

**INTER-DEPARTMENTAL COMMENTS:**

This report has been reviewed by the CAO, the Director of Corporate Services/CFO, and the Clerk’s office.

**CONCLUSION:**

Administration is recommending that Council approve Administration the issuing purchase commitment letters to Enbridge Gas for \$965,266.74 (excludes HST) and CP Rail for \$158,265.71 (excludes HST).

**SCHEDULE(S)**

Schedule A – Project Location Plan

**Prepared & Submitted by:**

**Approved by:**

**Ray Vachon, Manager - Capital Projects  
Mike DiPaola, Director of Operations**

**Truper McBride, CAO**