



Staff Report

Report To: Dan Best, Chief Administrative Officer
From: **Don Giberson, Environmental Services Director**
Date: September 18 2017
Report: ESD.17.27
Subject: Tender Results for Dashwood Watermain Replacement Highway #21 to Shipka Line and Gore Road Water Service Transfers

Recommendations:

That South Huron Council receive the report from D. Giberson, ESD Director RE: Tender Results for Dashwood Watermain Replacement Highway #21 to Shipka Line and Gore Road Water Service Transfers AND;

That South Huron Council accept the tender received from the low bidder Robinson Farm Drainage Limited and authorize award of a contract for Dashwood Watermain Replacement Highway #21 to Shipka Line and Gore Road Water Service Transfers in the amount of \$546,929.04 (including HST).

Purpose:

The purpose of this report is to notify Council of the results of the tender for the Dashwood Watermain Replacement Highway #21 to Shipka Line, including the Gore Road Water Service Transfers, and to recommend award of a contract to the low bidder.

Background and Analysis:

The tender for the Dashwood Watermain Replacement Highway #21 to Shipka Line and Gore Road Water Service Transfers was posted on the

Engineers web site and on the Municipal web site, along with social media notification on August 4, 2017 in accordance with the current Procurement Policy and Procurement By-law #33-2017.

The tender closed on Thursday August 31, 2017 at 2:00pm and five (5) tenders were received by the Municipality. Tenders were opened by Councillor DeLuca, in the presence of Sandy Becker, Financial Services Manager/Treasurer, Don Giberson, Environmental Services Director, Ryan Steckly, BM Ross Engineers and six contractors.

The following are the tender results:

Dashwood Watermain Replacement (Highway #21 to Shipka Line)				
	Contractor	Price	HST	Total Cost
		(Excluding HST)		(Including HST)
1	Robinson Farm Drainage Limited	\$484,008.00	\$62,921.04	\$546,929.04
2	Cope Construction & Contracting Inc	\$487,284.80	\$63,347.02	\$550,631.82
3	Birnam Excavating Ltd.	\$651,478.64	\$84,692.22	\$736,170.86
4	Murray Mills Excavating & Trucking Ltd	\$770,284.00	\$100,136.92	\$870,420.92
5	Lavis Contracting Co. Limited	\$784,602.50	\$101,998.33	\$886,600.83

Tenders were checked by the Engineer; found to be complete and in conformance with the drawings/specifications.

A copy of the Engineer's letter of recommendation is attached.

Operational Considerations:

No alternatives were considered.

South Huron's Strategic Plan:

Section 6.2.2 of the Municipality of South Huron 2015- 2019 Strategic Plan identifies key objectives that are reflective of the collective perspectives of the strategic planning process.

The recommendations and actions outlined in this report are reflective of the following strategic objectives:

Administrative Efficiency and Fiscal Responsibility

Increased Communications and Municipal Leadership

Transparent, Accountable and Collaborative Governance

Dedicated Economic Development Effort

Financial Impact:

The costs associated with the Dashwood Watermain Replacement Highway #21 to Shipka Line and the Gore Road Water Service Transfers projects were included in the 2017 Capital Budget. A detailed financial analysis of the tender received from the low bidder was carried out and is summarized as follows:

Dashwood Watermain Replacement (Hwy#21 to Shipka Line)	
	Total
PART 1	\$227,910.00
PART 2	\$218,998.00
PART 3	\$21,450.00
Provisional	\$5,650.00
Contingency	\$10,000.00
Subtotal	\$484,008.00
Engineering	\$24,000.00
Subtotal	\$508,008.00
Non-recoverable HST	\$8,940.64
TOTAL	\$516,948.64

Dashwood Road is under the jurisdiction of Huron County and in order to comply with the County's requirements, several changes were incorporated into the watermain design that resulted in higher than anticipated costs and an insufficient budget to complete all work in 2017.

Accordingly, the Dashwood Road Watermain Replacement (Hwy#21 to Shipka Line) was split into two sections and proposed to be carried out over two years (2017 and 2018). The tender was set up with separate parts so that each section could be priced separately or deleted if so desired.

Staff have put forward the 2018 watermain work as a proposed 2018 capital project, subject to the 2018 budget process. If Council decides not to approve the 2018 work, that portion (ie. Part 2 of the tender) will be deleted from the contract (as noted on page T-7 of the form of tender).

The following is a summary of the proposed 2017 work:

Dashwood Watermain Replacement (Hwy#21 to Shipka Line) 2017 Work	
	Total
PART 1	\$227,910.00
PART 3	\$21,450.00
Provisional	\$5,450.00
Contingency	\$5,000.00
Subtotal	\$259,810.00
Engineering	\$12,000.00
Subtotal	\$271,810.00
Non-recoverable HST	\$4,783.69
TOTAL	\$276,593.69
2017 Capital Budget (Dashwood Road Watermain)	\$250,000.00
2017 Capital Budget (Gore Road Waterservices)	\$75,000.00
Net Difference	\$48,406.31

The following is a summary of the proposed 2018 work:

Dashwood Watermain Replacement (Hwy#21 to Shipka Line) "PROPOSED" 2018 Work	
	Total
PART 2	\$218,998.00
Provisional	\$200.00
Contingency	\$5,000.00
Subtotal	\$224,198.00
Engineering	\$12,000.00
Subtotal	\$236,198.00
Non-recoverable HST	\$4,156.94
TOTAL	\$240,354.94
"Proposed" 2018 Capital Budget	\$240,354.94

The total cost of the 2017 Dashwood Watermain Replacement work and the Gore Road Water Services, including tendered construction costs, engineering and non-recoverable HST are lower than the amounts in the 2017 Capital Budget.

The proposed 2018 watermain replacement work on Dashwood Road (ie. Part 2 of the tender) is a provisional section of the contract and will not proceed prior to Council approval of the 2018 Capital Budget.

Considering the extremely favorable pricing, Council may wish to exercise their option to proceed with proposed 2018 work in 2017. This work could be funded by the following savings within the 2017 Water Capital Budget:

- Engineering RFP = \$ 71,330.55
 - Exeter water tower upgrades = \$108,406.31
 - Dashwood watermain replacement = \$ 48,406.31
 - Water Meter Replacement Program = \$ 12,211.77
- Total \$240,354.94**

Legal Impact:

There are no legal implications for the Corporation resulting from the proposed recommendation.

Staffing Impact:

There are no staffing implications for the Corporation resulting from the proposed recommendation.

Policies/Legislation:

1. Approved 2017 Water Capital Budget
2. South Huron Asset Management Plan

Consultation:

Manager of Financial Services/Treasurer
Water/Sewer Foreman

Related Documents:

1. BM Ross Engineers tender recommendation letter dated September 1, 2017.

Respectfully submitted,

A handwritten signature in black ink, featuring a large, stylized 'D' and 'G' followed by a series of vertical strokes and a horizontal line at the bottom.

Don Giberson, Environmental Services Director