



Staff Report

Report To: Dan Best, Chief Administrative Officer
From: **Don Giberson, Environmental Services Director**
Date: April 16 2018
Report: ESD.18.17
Subject: Tender Results for Huron Street Reconstruction
(Edward to East town limit)

Recommendations:

That South Huron Council receive the report from Don Giberson, ESD Director RE: Tender Results for Huron Street Reconstruction (Edward to East town limit) AND;

That South Huron Council accept the tender received from the low bidder Birnam Excavating Inc. and authorize the award of a contract for Huron Street Reconstruction (Edward to East town limit) in the amount of \$2,187,439.37 (including HST).

Purpose:

The purpose of this report is to notify Council of the results of the tender for the Huron Street East Reconstruction, Edward Street to the former east town limit, and to recommend award of a contract to the low bidder.

Background and Analysis:

The tender for the Huron Street East Reconstruction was advertised on the Biddingo web site, in accordance with section 9(b) of the Procurement By-Law #33-2017 and was posted on Thursday, March 8, 2018. Tenders closed on Thursday, April 5, 2018 at 4:00pm and five (5) tenders were received by the Municipality. Tenders were opened by Councillor Wayne Deluca, in the

presence of Angela Shipway, Financial Analyst; Shawn Young, Water/Sewer Foreman; Brad Walt, GMBLuePlan and several contractors.

The following are the tender results:

Huron Street East Reconstruction - Tender Results				
	Contractor	Price	HST	Total Cost
		(Excluding HST)		(Including HST)
1	Biram Excavating Ltd.	\$1,935,787.05	\$251,652.32	\$2,187,439.37
2	Titan Group Construction	\$1,963,935.85	\$255,311.66	\$2,219,247.51
3	Lavis Contracting Co. Limited	\$1,982,756.48	\$257,758.34	\$2,240,514.82
4	Blue-Con Construction	\$2,144,069.69	\$278,729.06	\$2,422,798.75
5	Kurtis Smith Excavating Inc.	\$2,198,000.00	\$285,740.00	\$2,483,740.00

Tenders were checked by the Engineer; found to be complete and in conformance with the drawings/specifications. A minor mathematical error was found in the Kurtis Smith Excavating tender. However, this error did not change the bidders' position.

The following is a summary of the corrected tender results:

Huron Street East Reconstruction - CORRECTED Tender Results					
	Contractor	Price	HST	Total Cost	
		(Excluding HST)		(Including HST)	
1	Biram Excavating Ltd.	\$1,935,787.05	\$251,652.32	\$2,187,439.37	
2	Titan Group Construction	\$1,963,935.85	\$255,311.66	\$2,219,247.51	
3	Lavis Contracting Co. Limited	\$1,982,756.48	\$257,758.34	\$2,240,514.82	
4	Blue-Con Construction	\$2,144,069.69	\$278,729.06	\$2,422,798.75	
5	Kurtis Smith Excavating Inc.	\$2,197,205.00	\$285,636.65	\$2,482,841.65	**
**NOTE: Correction was a mathematical error					

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

Operational Considerations:

There were no alternatives 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

Coordinated replacement of aging road/water/wastewater infrastructure is very cost effective due to the scale of efficiencies of this approach. Sharing of road restoration costs with the User Pay Budgets further reduces costs for the Levy based budgets.

This project was engineered the previous year, so that it would be tender ready as early as possible the following year. Council directed that the project be tendered early in the construction season, prior to the approval of the complete budget, resulting in more competition and lower prices. This clearly demonstrates administrative efficiency and fiscal responsibility.

Increased Communications and Municipal Leadership

A public open house was publically advertised and held in the evening of Wednesday, March 21, 2018 to engage the public regarding the project. Increased communication greatly assists staff, the public and affected residents to ensure a successful project and demonstrates Municipal Leadership.

Transparent, Accountable and Collaborative Governance

The Public Tendering process was used for this project, in accordance with the procurement By-law #33-2017. A public open house was held to engage the public and affected residents regarding the project. Public tendering is a completely transparent process and demonstrates commitment to transparency; engaging the public demonstrates accountable and collaborative governance.

Dedicated Economic Development Effort

Having well managed roads/water/wastewater systems; rate stability and sufficient growth related capacity are essential to attracting and retaining businesses.

Financial Impact:

The costs associated with the Huron Street East Reconstruction project are included in the 2018 Capital Budget.

A detailed financial analysis of the tender received from the low bidder was carried out and summarized as follows:

Huron Street East Reconstruction (Edward Street to East Town Limit)					
	Sanitary	Watermain	Road	TOTAL	NOTES
	\$ 14,287.58	\$ 9,525.05	\$ 23,812.63	\$ 47,625.26	Mobilization
	\$ 15,741.27	\$ 10,494.18	\$ 26,235.44	\$ 52,470.89	Removals
	\$ 263,275.74	\$ -	\$ -	\$ 263,275.74	Sanitary sewers
	\$ -	\$ 278,424.13	\$ -	\$ 278,424.13	Watermain
	\$ -	\$ -	\$ 311,595.15	\$ 311,595.15	Storm Sewer
	\$ 206,452.10	\$ 137,634.73	\$ 344,086.83	\$ 688,173.65	Road Restoration Costs
	\$ -	\$ -	\$ 31,964.53	\$ 31,964.53	Pryde Blvd Storm PDC's
	\$ (24,886.44)	\$ (14,374.05)	\$ (35,121.96)	\$ (74,382.45)	"Less" top asphalt in 2019
	\$ -	\$ (9,889.99)	\$ (64,302.76)	\$ (74,192.75)	"Less" Stoney Ridge Subdivision
	\$ 56,220.84	\$ 35,802.69	\$ 95,851.73	\$ 187,875.26	Provisional and Contingency
Subtotal	\$ 531,091.08	\$ 447,616.74	\$ 734,121.58	\$1,712,829.40	
	\$ 28,281.00	\$ 18,854.00	\$ 47,135.00	\$ 94,270.00	Engineering (Contract Admin)
	\$ 1,537.50	\$ 1,025.00	\$ 2,562.50	\$ 5,125.00	Geotechnical
Subtotal	\$ 560,909.58	\$ 467,495.74	\$ 783,819.08	\$1,812,224.40	
Non-recoverable HST	\$ 9,872.01	\$ 8,227.93	\$ 13,795.22	\$ 31,895.15	
Total	\$ 570,781.59	\$ 475,723.67	\$ 797,614.30	\$1,844,119.55	
2018 Capital Budgets	\$630,000.00	\$550,000.00	\$890,000.00	\$2,070,000.00	
Net Difference	\$59,218.41	\$74,276.33	\$92,385.70	\$225,880.45	

The total cost for the road, water and sewer components of the Huron Street East Reconstruction project, including tendered construction costs, engineering and non-recoverable HST are within the amounts proposed in the 2018 Roads, Sewer and Water Capital Budgets.

Please note that all costs associated with the 2019 surface asphalt on Huron Street East are excluded from this analysis and are proposed for the 2019 Capital Budget. These future costs are summarized as follows:

Huron Street East Reconstruction - 2019 Top Asphalt					
	Sanitary	Watermain	Road	TOTAL	NOTES
	\$ 22,314.74	\$ 14,876.49	\$ 37,191.23	\$ 74,382.45	Road Restoration Costs
	\$ -	\$ -	\$ (9,071.34)	\$ (9,071.34)	"Less" Stoney Ridge Subdivision
Subtotal	\$ 22,314.74	\$ 14,876.49	\$ 28,119.89	\$ 65,311.11	
	\$ 1,750.00	\$ 1,250.00	\$ 3,000.00	\$ 6,000.00	Engineering (Contract Admin)
	\$ 300.00	\$ 200.00	\$ 500.00	\$ 1,000.00	Geotechnical
Subtotal	\$ 24,364.74	\$ 16,326.49	\$ 31,619.89	\$ 72,311.11	
Non-recoverable HST	\$ 428.82	\$ 287.35	\$ 556.51	\$ 1,272.68	
TOTAL	\$ 24,793.55	\$ 16,613.84	\$ 32,176.40	\$ 73,583.79	
2019 Capital Budgets	\$ 30,000.00	\$ 20,000.00	\$ 50,000.00	\$ 100,000.00	
Net Difference	\$ 5,206.45	\$ 3,386.16	\$ 17,823.60	\$ 26,416.21	

In this analysis, road restoration costs are shared by Sewers (30%); Water (20%); and Roads (50%).

Please note that this tender also includes \$83,264.09 + HST of costs associated with the construction of Eastern Avenue, including \$9,071.43 + HST for 2019 surface works. These costs are the responsibility of the Developer of the Stoney Ridge Subdivision and were included in this tender to properly coordinate the work between the two projects; eliminate overlapping work and to reduce the Developers' costs. If the Developer chooses not to proceed this work will simply be deleted from the contract.

COSTS ASSOCIATED WITH STONEY RIDGE SUBDIVISION (Eastern Avenue)	
Mobilization	\$2,381.26
Removals	\$1,956.60
Watermains	\$9,889.99
Storm Sewers	\$12,386.14
Roadworks	\$47,578.76
2019 Surface works	\$9,071.34
SUB-TOTAL	\$83,264.09
13% HST	<u>\$10,824.33</u>
TOTAL	\$94,088.42

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 2018 Water, Sewer & Roads Capital Budgets
2. South Huron Asset Management Plan
3. South Huron Drinking Water System Financial Plan

Consultation:

The Manager of Financial Services/Treasurer and Water/Sewer Foreman were consulted as part of the tender review and preparation of this report.

Related Documents:

GMBLuePlan Engineers tender recommendation letter dated April 6, 2018.

Respectfully submitted,

A handwritten signature in black ink, enclosed within a hand-drawn oval. The signature is stylized and appears to read 'Don Giberson'.

Don Giberson, Environmental Services Director