

August 5, 2020

Report To: Mayor and Council

From: Travis Rob, Manager of Operations and Facilities

RE: Award of Tender 20-OF-11 – 2020 Kings Highway Reconstruction

During the week of July 6, 2020 the Town advertised for a Tender Call for the reconstruction of Kings Highway from Pit Road #1 to Pit Road #2 with the tender closing on Tuesday, July 28, 2020. Advertisements were placed in the Fort Frances Times, Chronicle Journal, Thunder Bay Construction Association, Winnipeg Construction Association and on the Town of Fort Frances website.

Five (5) tender packages were distributed to construction contractors and/or suppliers with four (4) Contractors submitting tender bids;

Contractor	Price (HST Included plus \$150,000.00 Contingency Allowance)
1876118 Ontario Ltd. o/a Makkinga Contracting	\$2,788,336.02
PNI Contracting	\$2,511,103.93
Tom Veert Contracting	\$2,308,205.79
George Armstrong Company	\$2,034,823.21

The works tendered consisted of one (1) project to be completed in 2022. The project is as follows:

2020/2021 Construction Program

1. Reconstruction of Kings Highway from Pit Road #1 to Pit Road #2

Full reconstruction and widening of Kings Highway including the installation of new water services, new stormsewer, landscaping and base and surface coarse asphalt.

Given the late tendering of this project, there was no requirement to start any works in 2020, however if work was to begin, the roadway would not be allowed to be gravel through the winter. Given those stipulations, each bidder would have planned their work based on their schedule this year.

In accordance with the Town's procurement policy, Administration has an obligation to point out to Council any tender irregularities. All tenders submitted were complete and compliant. **See Spreadsheet No. 1**, which outlines details on the four (4) tender bids received and the associated costs for each individual project. Also, highlighted in "green" indicates the lowest unit bid price and "red" indicates the highest unit bid price.

The low tender bid was George Armstrong Company with a total cost of \$2,034,823.21 which includes a \$150,000 contingency allowance spread over the two years and HST. Please review the attached **Spreadsheet No. 2** - outlining the funding allocations vs. the lowest tender bid from George Armstrong Company plus Hatch Engineering costs (10%). The entire phase 1 works were included in the 2020 budget anticipating a funding award in March as usual. In speaking with George Armstrong Company, they plan to complete the stormsewer and water works along the south portion of the roadway in 2020, with the remaining stormsewer and water works as well as roadway reconstruction works in 2021, with construction work set to be complete August 15, 2021.

Please find attached a letter report from Hatch recommending that George Armstrong Company be awarded this tender as they are the low tender and, in the past, have performed well on similar projects in our community.

It is recommended by Administration that the following be approved:

- That Tender 20-OF-11 – Kings Highway Reconstruction be awarded to George Armstrong Company at an estimated cost of \$2,034,823.21 which includes HST and a contingency allowance of \$150,000.00.
- That prior to construction start, an open house public meeting is scheduled to ensure all property owners abutting the construction projects obtain first-hand knowledge of these projects and have the opportunity to ask any questions. The exact date of the meeting is unknown at the time of writing this report.
- That the Mayor and Clerk be authorized to execute the contract documents on behalf of the Corporation of the Town of Fort Frances.

Respectfully Submitted



Travis Rob, P.Eng.
Manager of Operations and Facilities

Council approval of this report will ensure:

- **That Tender 20-OF-11 – Kings Highway Reconstruction be awarded to George Armstrong Company at an estimated cost of \$2,034,823.21 which includes HST and a contingency allowance of \$150,000.00.**
- **That prior to construction start, an open house public meeting is scheduled to ensure all property owners abutting the construction projects obtain first-hand knowledge of these projects and have the opportunity to ask any questions. The exact date of the meeting is unknown at the time of writing this report.**
- **That the Mayor and Clerk be authorized to execute the contract documents on behalf of the Corporation of the Town of Fort Frances.**



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Thunder Bay, Ontario, Canada P7B 0E2
Tel: +1 (807) 623 3449 Fax: +1 (807) 623 5925 www.hatch.com

July 30, 2020

360871-P

Town of Fort Frances
320 Portage Avenue
Fort Frances, Ontario
P9A 3P9

Attention: Travis Rob, P.Eng.

**Re: 2020 Kings Highway Widening & Storm Sewer Improvements
Tender No.20-OF-11
Tender Recommendation**

Tenders for the above project were received by the Town of Fort Frances, via fax transmittal (with the exception of the George Armstrong Co. Limited tender was submitted in hard copy), on or before 2:00 pm (CDT) on Tuesday, July 28th, 2020. Four (4) tenders were received, and are listed below in ascending order:

<u>Tenderer</u>	<u>Tender Price</u>
1) George Armstrong Co. Limited (GACL)	\$2,034,823.21
2) Tom Veert Contracting Limited (TVCL)	\$2,301,622.46
3) PNI Contracting	\$2,511,103.93
4) Makkinga Contractors & Equipment Rental	\$2,788,336.02

The above tender prices include H.S.T. The Tenders were checked arithmetically and were all found to be correct.

TENDER IRREGULARITIES

A review of the tenders was undertaken. All of the four (4) tenderers submitted a Bid Bond in the amount of 10% of the Tender Price and an Agreement to Bond and/or Consent of Surety. All tenderers included completed Forms A, B, C, D, E and F of the Tender documents.

REVIEW OF TENDER PRICES

A review of the tender prices submitted by the tenderers was undertaken. GACL tender pricing was generally overall lower than the other tenderers. Items relating to asphalt, granulars, concrete, storm sewer and mobilization/demobilization, account for a significant price difference between the other tenderers.

Overall, the low tenderer has indicated they are comfortable with the price submitted.

The engineers estimate for this project was approximately 20% higher than the lowest submitted tender and the lowest bidder was approximately 12% lower than the 2nd lowest bidder.

360871, Rev. A

LOW TENDERER'S QUALIFICATIONS

GACL is a reputable local general contractor that has been delivering expertise to both public and private sector clients throughout Northwestern Ontario. They have completed numerous road reconstruction/underground infrastructure projects for various clients including the Town of Fort Frances in the recent past.

GACL is proposing to carry out the majority of the work with their own forces which includes all the excavation, grading, pipe works and landscaping. GACL has stated that all asphalt works will be completed by Pioneer Construction and concrete works will be completed by NST Construction.

PROPOSED PROJECT SCHEDULE

This Contract includes a completion date of August 15, 2021.

GACL has indicated that they intend on installing the storm sewer main and catch basins on the south side of the project this year, with all other items commencing in the spring of 2021. GACL stated that they will have dedicated crews working onsite throughout the Contract and do not anticipate any issues meeting the specified completion date of August 15, 2021.

RECOMMENDATION

We therefore recommend that the Contract be awarded to George Armstrong Co. Limited in the amount of \$2,034,823.21 (including H.S.T). This amount includes a contingency amounts for \$150,000 that will not be spent without authorization from the Town of Fort Frances.

With this report we are enclosing a spreadsheet showing a comparison of the tender prices and the engineer's estimate.

Yours very truly,



Joseph De Luca, P. Eng.
Senior Project Engineer
Encl.

Spreadsheet #1 - Kings Highway Reconstruction

							1876118 Ontario Ltd. o/a Makkinga Contracting		PNI Contracting		Tom Veert Contracting		George Armstrong Company	
ITEM NO.	OPS SPEC.	DESCRIPTION	EST. QTY	UNIT	UNIT BID PRICE	TOTAL BID PRICE	Unit Price	Total Bid Price	Unit Price	Total Bid Price	Unit Price	Total Bid Price	Unit Price	Total Bid Price
KINGS HIGHWAY (from Pit Road #1 to Pit Road #2)														
Section A - Grading														
A.001	206, SP	Earth Excavation (Grading)	10,878	m ³ (P)	\$ 18.00	\$ 195,804.00	\$15.00	\$163,170.00	\$10.53	\$114,545.34	\$9.06	\$98,554.68	\$7.00	\$76,146.00
A.002	310, SP	Hot Mix Asphalt (70mm Binder Course)	890	t	\$ 275.00	\$ 244,750.00	\$264.00	\$234,960.00	\$252.72	\$224,920.80	\$282.06	\$251,033.40	\$240.00	\$213,600.00
A.003	310, SP	Hot Mix Asphalt (50mm Surface Course)	630	t	\$ 250.00	\$ 157,500.00	\$251.00	\$158,130.00	\$237.60	\$149,688.00	\$268.30	\$169,029.00	\$230.00	\$144,900.00
A.004	314, SP	Granular 'A' Roadway (200mm)	3,825	t	\$ 28.00	\$ 107,100.00	\$28.00	\$107,100.00	\$23.22	\$88,816.50	\$23.70	\$90,652.50	\$22.00	\$84,150.00
A.005	314, SP	Granular 'A' Entrances (100mm)	33	t	\$ 25.00	\$ 825.00	\$28.00	\$924.00	\$65.34	\$2,156.22	\$23.20	\$765.60	\$22.00	\$726.00
A.006	314, SP	Granular 'B' Type II Roadway	10,800	t	\$ 25.00	\$ 270,000.00	\$28.00	\$302,400.00	\$26.46	\$285,768.00	\$21.43	\$231,444.00	\$21.00	\$226,800.00
A.007	510, SP	Removal of Asphalt Pavement (Full Depth)	3,713	m ² (P)	\$ 5.00	\$ 18,565.00	\$7.00	\$25,991.00	\$3.78	\$14,035.14	\$5.68	\$21,089.84	\$3.00	\$11,139.00
A.008	353, SP	Curb and Gutter	686	m	\$ 180.00	\$ 123,480.00	\$232.00	\$159,152.00	\$206.28	\$141,508.08	\$208.33	\$142,914.38	\$181.00	\$124,166.00
A.009	351, SP	Concrete Driveway Aprons	136	m2	\$ 250.00	\$ 34,000.00	\$207.00	\$28,152.00	\$199.80	\$27,172.80	\$258.30	\$35,128.80	\$220.00	\$29,920.00
A.010	Section 02930	100 mm Topsoil and Sod	1,150	m ²	\$ 20.00	\$ 23,000.00	\$22.00	\$25,300.00	\$13.99	\$16,088.50	\$15.93	\$18,319.50	\$20.00	\$23,000.00
A.011	510, SP	Removal of Existing Boulevard Trees	9	ea	\$ 1,000.00	\$ 9,000.00	\$1,000.00	\$9,000.00	\$216.00	\$1,944.00	\$969.78	\$8,728.02	\$200.00	\$1,800.00
A.012	SP	Relocation of Existing Signage	1	LS	\$ 5,000.00	\$ 5,000.00	\$7,500.00	\$7,500.00	\$2,700.00	\$2,700.00	\$7,813.97	\$7,813.97	\$500.00	\$500.00
A.013	1860,SP	Geogrid	7,230	m2	\$ 8.00	\$ 57,840.00	\$8.00	\$57,840.00	\$4.43	\$32,028.90	\$5.73	\$41,427.90	\$4.30	\$31,089.00
A.014	1860,SP	Geotextile	8,235	m2	\$ 5.00	\$ 41,175.00	\$8.00	\$65,880.00	\$3.13	\$25,775.55	\$5.73	\$47,186.55	\$2.50	\$20,587.50
A.015	710, SP	Pavement Markings	1	LS	\$ 16,000.00	\$ 16,000.00	\$20,000.00	\$20,000.00	\$22,140.00	\$22,140.00	\$21,776.22	\$21,776.22	\$17,000.00	\$17,000.00
Total Section A - Grading						\$ 1,304,039.00		\$1,365,499.00		\$1,149,287.83		\$1,185,864.36		\$1,005,523.50
Section B - Storm Sewers														
B.001	407, SP	Catchbasin Storm Manholes	8	ea	\$ 10,000.00	\$ 80,000.00	\$15,000.00	\$120,000.00	\$11,178.00	\$89,424.00	\$10,039.56	\$80,316.48	\$10,000.00	\$80,000.00
B.002	407, SP	Catchbasins	8	ea	\$ 6,000.00	\$ 48,000.00	\$4,000.00	\$32,000.00	\$4,104.00	\$32,832.00	\$6,263.74	\$50,109.92	\$6,000.00	\$48,000.00
B.003	407, SP	Ditch Inlet (Type A, precast concrete c/w grate)	1	ea	\$ 8,000.00	\$ 8,000.00	\$8,750.00	\$8,750.00	\$11,880.00	\$11,880.00	\$7,645.98	\$7,645.98	\$7,500.00	\$7,500.00
B.004	410	Catchbasin Leads 250 mm (PVC SDR 35)	40	m	\$ 300.00	\$ 12,000.00	\$325.00	\$13,000.00	\$207.36	\$8,294.40	\$206.18	\$8,247.20	\$225.00	\$9,000.00
B.005	410	900mm Storm Sewer	383	m	\$ 750.00	\$ 287,250.00	\$1,160.00	\$444,280.00	\$1,236.60	\$473,617.80	\$1,102.17	\$422,131.11	\$835.00	\$319,805.00
B.006	410	450mm Storm Sewer	52	m	\$ 500.00	\$ 26,000.00	\$525.00	\$27,300.00	\$636.12	\$33,078.24	\$707.81	\$36,806.12	\$600.00	\$31,200.00
B.007	405	Subdrain	1,005	m	\$ 50.00	\$ 50,250.00	\$45.00	\$45,225.00	\$25.92	\$26,049.60	\$16.11	\$16,190.55	\$40.00	\$40,200.00
B.008*	SP	50 mm Rigid Styrofoam Insulation	50	m2	\$ 50.00	\$ 2,500.00	\$70.00	\$3,500.00	\$63.72	\$3,186.00	\$46.02	\$2,301.00	\$60.00	\$3,000.00
Total Section B - Storm Sewers						\$ 514,000.00		\$694,055.00		\$678,362.04		\$623,748.36		\$538,705.00
Section C - Watermain														
C.001	441, SP	50mm Water Service	3	ea	\$ 7,500.00	\$ 22,500.00	\$19,000.00	\$57,000.00	\$12,960.00	\$38,880.00	\$9,058.35	\$27,175.05	\$6,000.00	\$18,000.00
C.002	441, SP	Temporary Water Service	1	LS	\$ 5,000.00	\$ 5,000.00	\$14,000.00	\$14,000.00	\$10,260.00	\$10,260.00	\$7,127.49	\$7,127.49	\$10,000.00	\$10,000.00
C.003*	441, SP	50mm Rigid Styrofoam Insulation	50	m ²	\$ 50.00	\$ 2,500.00	\$70.00	\$3,500.00	\$63.72	\$3,186.00	\$46.02	\$2,301.00	\$60.00	\$3,000.00
Total Section C - Watermain						\$ 30,000.00		\$74,500.00		\$52,326.00		\$36,603.54		\$31,000.00

ITEM NO.	OPS SPEC.	DESCRIPTION	EST. QTY	UNIT	UNIT BID PRICE	TOTAL BID PRICE	Unit Price	Total Bid Price	Unit Price	Total Bid Price	Unit Price	Total Bid Price	Unit Price	Total Bid Price
Section D - General														
D.001	SP	Bonds & Insurance	1	LS	\$ 50,000.00	\$ 50,000.00	\$35,000.00	\$35,000.00	\$55,080.00	\$55,080.00	\$31,288.28	\$31,288.28	\$22,000.00	\$22,000.00
D.002	SP	Mobilization & Demobilization	1	LS	\$ 100,000.00	\$ 100,000.00	\$140,000.00	\$140,000.00	\$111,240.00	\$111,240.00	\$5,501.97	\$5,501.97	\$50,000.00	\$50,000.00
D.003	SP	Project Sign	1	LS	\$ 5,000.00	\$ 5,000.00	\$1,000.00	\$1,000.00	\$12,960.00	\$12,960.00	\$3,503.48	\$3,503.48	\$2,500.00	\$2,500.00
D.004*	Section 01000	Consultant Site Office	1	LS	\$ 15,000.00	\$ 15,000.00	\$7,500.00	\$7,500.00	\$12,960.00	\$12,960.00	\$6,150.00	\$6,150.00	\$1,000.00	\$1,000.00
D.005	SP	Contingency Allowance	1	LS	\$ 150,000.00	\$ 150,000.00	\$150,000.00	\$150,000.00	\$150,000.00	\$150,000.00	\$150,000.00	\$150,000.00	\$150,000.00	\$150,000.00
Total Section D - GENERAL						\$ 320,000.00		\$333,500.00		\$342,240.00		\$196,443.73		\$225,500.00
SUMMARY OF TENDER PRICES														
Section A - Grading							\$ 1,304,039.00		\$1,365,499.00		\$1,149,287.83		\$1,185,864.36	
Section B - Storm Sewers							\$ 514,000.00		\$694,055.00		\$678,362.04		\$623,748.36	
Section C - Watermain							\$ 30,000.00		\$74,500.00		\$52,326.00		\$36,603.54	
Section D - General							\$ 320,000.00		\$333,500.00		\$342,240.00		\$196,443.73	
SUB-TOTAL TENDER PRICE							\$ 2,168,039.00		\$2,467,554.00		\$2,222,215.87		\$2,042,659.99	
13% H.S.T							\$ 281,845.07		\$320,782.02		\$288,888.06		\$265,545.80	
TOTAL TENDER PRICE							\$ 2,449,884.07		\$2,788,336.02		\$2,511,103.93		\$2,308,205.79	

* Provisional Tender Items - Tender Items identified as Provisional may be deleted prior to/after Contract Award without affecting any other Tender Item prices, and without penalty or recourse.

Spreadsheet #2 - Kings Highway Reconstuction

2020/2021 Connecting Link Kings Highway Reconstruction

	<u>Total Tender Price</u>	<u>Portion of Bonds & Insurance</u>	<u>Portion of Contingency</u>	<u>Engineering (10%)</u>	<u>Total Cost</u>	<u>Total Cost With Town's Portion HST</u>	<u>Funding Allocation</u>	<u>Town Contribution</u>
SUMMARY OF TENDER								
Section A - Grading	\$1,005,523.50	\$48,194.29	\$95,750.25	\$114,946.80	\$1,264,414.85	\$1,286,668.55	\$1,158,001.70	\$128,666.86
Section B - Storm Sewers	\$538,705.00	\$25,819.89	\$51,297.80	\$61,582.27	\$677,404.96	\$689,327.28	\$620,394.55	\$68,932.73
Section C - Watermain	\$31,000.00	\$1,485.82	\$2,951.95	\$3,543.78	\$38,981.55	\$39,667.62	\$0.00	\$39,667.62
Section D - General	\$225,500.00							
	\$1,800,728.50	\$75,500.00	\$150,000.00	\$180,072.85	\$1,980,801.35	\$2,015,663.45	\$1,778,396.25	\$237,267.20