

May 13, 2019

Report To: Mayor and Council

From: Travis Rob, Manager of Operations and Facilities

**RE: Award of Tender 19-OF-03 – 2019 Roadworks**

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During the week of March 31, 2018, the Town advertised for a Tender Call for the reconstruction of Second Street from Portage Avenue to Victoria Avenue, Phase I and III Erin Crescent Development and various water valves and hydrants with the tender closing on Tuesday, May 7, 2019. 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 two (2) Contractors submitting tender bids;

Contractor	Price (HST Included plus \$200,000.00 Contingency Allowance)
Tom Veert Contracting Ltd.	\$4,583,179.05
Bay City Contractors Inc.	\$3,412,435.02

The works tendered consisted of three (3) individual projects to be completed in 2019, one in 2020 and one in 2021. The projects are as follows:

**2019 Construction Program**

**1. Reconstruction of Second Street from Portage Avenue to Victoria Avenue**

Full recondition of Second Street including the replacement of sanitary sewer main, watermain, asphalt surface, storm sewer and landscaping including the replacement of two (2) 400mm diameter water main valves.

**2. Erin Crescent Subdivision Development Phase I**

Installation of a new water and sanitary sewer mains with services to 27 new lots in the Erin Crescent Development. Installation of all storm sewer infrastructure and road base.

**3. Fire Hydrant and Valve Replacement (Various Locations)**

Replacement of non-operational hydrant and valve sets in various locations around town.

**2020 Construction Program**

**4. Surface Coarse paving of Second Street**

Installation of the Surface Coarse paving on Second Street from Portage Avenue to Victoria Avenue including line painting.

**2021 Construction Program**

**5. Surface Paving and Curb and Gutter – Erin Crescent Subdivision Development**

Installation of the remaining roadway base granular materials, installation of the concrete curb and gutter and asphalt road surface.

The 2019 work is scheduled to begin ASAP in May and to be completed by October 18, 2019 with the 2020 work to be completed by July 2020 and the 2021 work completed by August 2021

In accordance with the Town's procurement policy, Administration has an obligation to point out to Council any tender irregularities. The tender submitted by Tom Veert Contracting had mathematical errors throughout which are outlined in the attached spreadsheet number 1. These errors did not change the overall tender result. **See Spreadsheet No. 1**, which outlines details on the two (2) 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 and the 2019 works are shown in "blue" text.

The low tender bid was Bay City Contractors with a total cost of \$3,412,435.02 which includes a \$200,000 contingency allowance spread over the three years and HST. Please review the attached **Spreadsheet No. 2** - outlining the Council approved 2019 capital budget for each project vs. the lowest tender bid from Bay City Contractors plus Hatch engineering costs (10%). Some provisional items were removed from the contract due to budget shortfalls or a change in scope, namely a reduction in hydrant and valve replacements to two (2) hydrants and three (3) valves.

A component of this work is the phase I development of the Erin Crescent Subdivision Development. Attached to this report are the per lot cost calculations assuming a full cost recovery sales model. Included are the cost estimates previously provided using Huffman Court costs and roadway reconstruction costs plus a new spreadsheet with the 2019 tendered values. The Operations and Facilities Division has started to engage utilities looking to determine the costs, if any, to be borne by the Town for the installation of services to these lots. This is considered Phase II of the development and it is important to note that at this time costs being carried are still very much unknown.

It is estimated the capital budget surplus is \$303,428.35 for 2019. It should be clearly stated that the \$150,000 contingency allowance for the 2019 portion of the work has been factored into the calculations for the projected budget surplus.

Please find attached a letter report from Hatch recommending that Bay City Contractors 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 19-OF-03 – 2019 - Road Reconstruction, Watermain and Sewer Replacement be awarded to Bay City Contractors at an estimated cost of \$3,412,435.02 which includes HST and a contingency allowance of \$200,000.00.
- That in the near future an open house public meeting is scheduled to ensure all property owners abutting the construction projects obtain first-hand knowledge on 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 19-OF-03 – 2019 - Road Reconstruction, Watermain and Sewer Replacement be awarded to Bay City Contractors at an estimated cost of \$3,412,435.02 which includes HST and a contingency allowance of \$200,000.00.**
- **That in the near future an open house public meeting is scheduled to ensure all property owners abutting the construction projects obtain first-hand knowledge on 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.**
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