

May 17, 2017

Report To: Mayor and Council

From: Travis Rob, Manager of Operations and Facilities

RE: Award of Tender 17-OF-07 – 2017 Road Reconstruction, Watermain and Sewer Replacement

During the week of April 6, 2017, the Town advertised for a Tender Call for the above stated work with the tender closing on Thursday, May 11, 2017. 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.

Four (4) tender packages were distributed to construction contractors and/or suppliers with two (2) Contractors submitting tender bids;

Contractor	Price (HST Included plus \$350,000.00 Contingency Allowance)
Tom Veert Contracting Ltd.	\$5,107,200.88
Bay City Contractors Inc.	\$4,347,677.54

The works tendered consisted of six (6) individual projects to be completed in 2017 and 2018. Of those six, two were service installations for private new development. The projects are as follows:

PHASE I – 2017 Construction Program

- 1. Reconstruction of Nelson Street from Mosher Avenue 100m westerly**
Full road reconstruction including the replacement of watermain, sanitary sewer, storm sewer, landscaping, road surface including 5 new water and sewer services for the second phase of the townhouse development (at the developers cost).
- 2. Reconstruction of Second Street from Mowat Avenue to Portage Avenue**
Full road reconstruction including the replacement of watermain, sanitary sewer, storm sewer, landscaping, road surface including addition of Granular B type II sub base and 120mm of HL4 Asphalt to better withstand the high traffic volumes experienced on this road section.
- 3. Fire Hydrant and Valve Replacement (Various Locations)**
Replacement of non-operational hydrant and valve sets in various locations around town.
- 4. Water and Sewer Service Installations (Oakwood Road and Sixth Street)**
Installation of new sewer and water services for new developments on both Oakwood Road and Sixth Street at the developers cost.

PHASE II – 2018 Construction Program

- 5. Reconstruction of Third Street East from Williams Avenue to Colonization Road East**
Full road reconstruction including the replacement of watermain, sanitary sewer, storm sewer, landscaping, road surface. This is a provisional item to be considered in the 2018 Capital Budget for award and completion in the 2018 construction season.

The 2017 work is scheduled to begin ASAP in June and to be completed by September 23, 2017 with the 2018 work to be completed by August 31, 2018.

In accordance with the Town's procurement policy, Administration has an obligation to point out to Council any tender irregularities. There was a minor mathematical error with the tender bid submitted from Tom Veert Contracting Ltd. which increased the total bid price which is reflected in this report. **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 "yellow" indicates the lowest unit bid price and "red" indicates the highest unit bid price. The bid irregularities are highlighted in "pink" and the private works are highlighted in "green".

The low tender bid was Bay City Contractors with a total cost of \$4,347,677.54 which includes a \$350,000 contingency allowance and HST. Please review the attached **Spreadsheet No. 2** - outlining the Council approved 2017 capital budget for each project vs. the lowest tender bid from Bay City Contractors plus Hatch engineering costs (10%).

It is estimated the capital budget surplus is \$ 118,787.03 for 2017. It should be clearly stated that the \$170,000 contingency allowance for the 2017 portion of the work has been factored into the calculations for the projected budget surplus as well as the removal of the private works portions and associated allocations.

Please find attached a letter report from Hatch Mott MacDonald recommending that Bay City Contractors Inc. 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 17-OF-07 – 2017 - Road Reconstruction, Watermain and Sewer Replacement be awarded to Bay City Contractors Inc. at an estimated phase 1 cost of \$2,164,010.74 which includes HST and a contingency allowance of \$170,000.00.
- That Letters of undertaking be signed by the property owners requesting private works tendered prior to undertaking any of the works.
- That the Phase 2 Portion being Third Street East Reconstruction from William Avenue to Colonization Road East be included in the 2018 Capital Budget.
- 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, EIT

Manager of Operations and Facilities

Council approval of this report will ensure:

- **That Tender 17-OF-07 – 2017 - Road Reconstruction, Watermain and Sewer Replacement be awarded to Bay City Contractors Inc. at an estimated phase 1 cost of \$2,164,010.74 which includes HST and a contingency allowance of \$170,000.00.**
- **That Letters of undertaking be signed by the property owners requesting private works tendered prior to undertaking any of the works.**
- **That the Phase 2 Portion being Third Street East Reconstruction from William Avenue to Colonization Road East be included in the 2018 Capital Budget.**
- **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.**