

Doug Brown/Frances
04/14/2016 07:27 AM

To "Marasco, Robert" <robert.marasco@hatch.ca>,
ravis@fort-frances.com, gpryan70@hotmail.com,
cauljune@hotmail.com, doug@kitowskitrucking.com, Mark
cc
bcc
Subject Re: Tender FF 2016 Roads- Request from Makkinga-
Liquidated Damages

Hi Rob, I don't have a problem with extending the tender close to Friday April 22. However, as you are fully aware the Liquidated damages amount of \$5000 was a result of the discussion at the March 9th O & F executive committee meeting. As you are aware Council wants the Colonization Road East Work to be completed in a timely fashion and by increasing the liquated damage amount from the industry standard of \$ 2000 to \$ 5000 would hopefully achieve this result. Did Makkinga provide any reasons why they wanted it reduced? Also by extending the project timelines doesn't achieve anything. I have copied the CAO and all members of the O & F executive committee on this email. We have a O & F Executive committee meeting on Wednesday April 20 where this issue will be reviewed. I would like your thoughts & comments on the issue in order that direction can be provided to you by the O & F executive committee on April 20. Thanks

Doug Brown, P. Eng.
Operations & Facilities Manager
320 Portage Avenue, Fort Frances, Ontario
Town of Fort Frances
Work #-807-274-9893 Ext. 306
Cell # 807-275-9755
"Marasco, Robert" <robert.marasco@hatch.ca>



"Marasco, Robert"
<robert.marasco@hatch.ca>
04/13/2016 02:45 PM

To "dbrown@fort-frances.com" <dbrown@fort-frances.com>
cc
Subject Tender FF 2016 Roads

Doug

Makkinga has asked to reduce the liquidated damages amount or extend the completion date and also wanted to know if an extension to the tender closing date is possible? I knew these requests would be coming.

Rob

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April 18, 2016

348468 GC
Fort Frances 2016

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

Attention: Doug Brown
Manager of Operations and Facilities

Re: Town of Fort Frances
2016 Road Reconstruction, Watermain and Sewer Replacement
Tender No. 16-OF-07
Liquidated Damages

As requested by the Town of Fort Frances following the March 9th, 2016 O&F executive committee meeting we have increased the Liquidated Damages provision from \$2,000 per day to \$5,000 per day for any work not finished by the contract completion date as described in Section 00800 clause GC 8.02.09 (03).

The purpose of this clause is to protect the Owner (Town of Fort Frances) from any losses or damage that may be sustained as a result of the contractor not meeting the completion date. Losses in this case would be monetary and include the cost of additional engineering fees and expenses for Contract Administration as well as any costs that the Town might normally book or log in monitoring the administration of the contract.

It is our understanding that given the completion dates for the last two road works contracts (Tender No. 14-OF-01 and 15-OF-10) were not met, the reason for increasing the liquidated damages from \$2,000 to \$5,000 per day was to give the contractor more incentive to complete the works on time.

It is our opinion that this is not the intent of the liquidated damages clause and the daily value should be reduced between \$2,000 to \$2,500 per day which is more representative of the costs that will be incurred.

The ramifications of not reducing the daily charge could be increased tender prices by the contractors bidding the work to cover the risks of not completing the contract on time and/or contractors not bidding the work at all.

We have received some negative feedback from the contractors at both the tender site meeting and during the tender period on the liquidated damages clause.

Please advise if you would like us to reduce the daily rate by issuing an addendum during the tender period.

Yours truly,

HATCH MOTT MACDONALD



Rob Marasco
RM:rh