



973 Balmoral Street, Suite 101
Thunder Bay, Ontario, Canada P7B 0E2
Tel: +1 (807) 623 3449 Fax: +1 (807) 623 5925 www.hatch.com

December 19, 2019

358405-P

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

Attention: Travis Rob, P.Eng.

**Re: 2020 Colonization Road Reconstruction, Watermain and Sewer Improvements
Tender No.19-OF-14
Tender Recommendation**

Tenders for the above project were received by the Town of Fort Frances on or before 2:00 pm (CDT) on Tuesday, December 17th, 2019. Four (4) tenders were received, and are listed below in ascending order:

<u>Tenderer</u>	<u>Tender Price</u>
1) Tom Veert Contracting Limited (TVCL)	\$2,606,085.16
2) Bay City Contractors (Thunder Bay) Ltd.	\$2,791,052.54
3) Makkinga Contractors & Equipment Rental	\$3,038,099.92
4) George Armstrong Co. Limited	\$3,784,315.76

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, an Agreement to Bond and/or Consent of Surety and acknowledged the receipt of the one (1) Addendum that were issued. All tenderers included completed Forms A, B, C, D, and E of the Tender documents.

REVIEW OF TENDER PRICES

A review of the tender prices submitted by the tenderers was undertaken. TVCL's tender pricing was overall lower than the other tenderers. Items pertaining to concrete, storm sewers, watermain, sanitary sewers and hydrants and valves account for a significant difference between the two tenders.

The TVCL's tender had significantly higher prices for Items C.005 (Remove Existing and Replace 50mm Copper Water Service and Curb Stop to Property Line) and E.010 (Victoria Avenue North Sanitary Sewer Spot Repair, Complete). These higher prices may indicate that the Contractor has applied their overhead and profit to these items. Furthermore, the TVCL's tender had generally a lower price for Item A.017 (Pavement Markings). The low tenderer confirmed they priced out the proper type of pavement markings, as per the

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

The engineers estimate for this project was approximately 12% higher than the lowest submitted tender and the lowest bidder was approximately 7% lower than the 2nd lowest bidder.

LOW TENDERER'S QUALIFICATIONS

TVCL is an experienced road and sewer contractor and have completed numerous road reconstruction/underground infrastructure projects for various clients including New Gold, Town of Fort Frances, and the Township of Emo, in the recent past (reference the Tendering Supplements, Form A, Tenderer's Experience in Similar Work for a detailed summary of recent similar projects).

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

PROPOSED PROJECT SCHEDULE

This Contract includes a completion date of September 30, 2019, with only the surface course paving and pavement markings being deferred till the spring of 2021 and prior to June 15, 2021.

TVCL has indicated that they will be able to begin work in the spring of 2020, pending written authorization to proceed and executed tender documents. TVCL stated that they will have dedicated crews working onsite throughout the Contract and do not anticipate any issues meeting the specified completion dates.

RECOMMENDATION

We therefore recommend that the Contract be awarded to Tom Veert Contracting Limited in the amount of \$2,606,084.85 (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.