

Staff Report

Report To: City Council
Report From: Bradey Carbert, Manager of Corporate Services
Meeting Date: March 13, 2023
Report Code: CR-23-027
Subject: Award of RFT-23-002 – Structure 9C Culvert Replacement

Recommendations:

THAT in consideration of Staff Report CR-23-027 respecting Award of RFT-23-002, Structure 9C Culvert Replacement, City Council:

1. Awards the above noted Tender to R.F. King Holdings, the lowest compliant bid received, for \$1,017,421.92, including all provisional items and the non-refundable allocation of HST; and
2. Directs staff to bring forward a by-law to authorize the Mayor and Clerk to execute the agreement.

Highlights:

- The Structure 9C Culvert Replacement project was approved as part of the 2021 budget and commenced design in 2021.
- The Structure 9C Culvert Replacement project was previously put out for Tender in July 2022 but was cancelled due to insufficient funds.
- The award of the Tender, including provisional items, will address both critical structure, water, and wastewater infrastructure.

Strategic Plan Alignment:

This report supports the delivery of Core Service.

Previous Report/Authority:

None.

Background:

In accordance with the City's Procurement of Goods, Services, Construction, and Consulting Policy (By-law 2020-002) the award of all purchases above \$250,000 must be approved by Council.

This report has been drafted to provide Council with the necessary information to approve the award of Tender RFT-23-002, Structure 9C Culvert Replacement. The capital detail sheet describing the project has been included as an attachment to this report.

Analysis:

The above-mentioned Tender was called in compliance with the City's Purchasing By-law and closed on February 14, 2023, with five compliant bids received.

Base Bid

The base bids received, including the non-refundable allocation of HST, are as follows:

| Company Name | Bid Price |
|------------------------------------|------------------|
| R.F. King Holdings | \$852,409.65 |
| Master Utility Division Inc | \$972,662.78 |
| HugoMB Contracting Inc. | \$1,272,193.34 |
| McLean Taylor Construction Limited | \$1,361,547.53 |
| Neptune Security Services Inc | \$1,466,187.68 |

Provisional Items

During the preparations for retendering the project, Engineering Services staff were made aware of water and wastewater infrastructure issues that would arise when replacing the culvert, which were not considered at the approval of the initial scope of work. Replacement of water and wastewater infrastructure under and north of the structure through to the looping connection of watermain to 22nd Street West was included in the original

scope of the design. However, the replacement of watermain and sanitary sewer south of the culvert to 21st Street West was not included in the original scope. Public Works staff provided comment on the project regarding the deficient nature of the watermain and sewer from 21st Street West to the culvert and it was decided to include the replacement of this infrastructure as a provisional item. The completion of the provisional items will address the identified issues and install the new infrastructure in accordance with the City's engineering standards. The provisional pricing received by the Bidders identified above ranged from \$155,000 to \$302,300. The provisional price provided by R.F. King Holdings is \$162,158.78 and is deemed to be competitive and is recommended for award at this time by Engineering staff.

Combined Bid

Engineering staff recommends the Award of the Tender to R.F. King Holdings for \$1,017,422.43, including the provisional items and non-refundable allocation of HST.

Financial Implications:

The construction component of the Structure 9C Culvert Replacement project was approved in the 2023 Capital Budget for \$800,000 with \$500,000 in tax-supported funding, \$150,000 in water rate-supported funding, and \$150,000 in wastewater-supported funding.

The updated budget, based on the awarded design/engineering and the recommended bid submission, including provisional items and the non-refundable allocation of HST is as follows:

| Description | Approved Budget | Forecasted Budget | Difference |
|-------------------------|------------------------|--------------------------|-----------------------|
| In-house Engineering | \$15,000 | \$15,000 | - |
| Third-Party Engineering | \$65,000 | \$65,000 | - |
| Construction | \$650,000 | \$966,542.43 | (\$316,542.43) |
| Contingency | \$70,000 | \$50,880 | 19,120 |
| Total | \$800,000 | \$1,097,422.43 | (\$297,422.43) |

The updated funding based on the awarded design/engineering and the recommended bid submission, including provisional items and the non-refundable allocation of HST is as follows:

| Description | Approved Budget | Forecasted Budget | Difference |
|---------------------------|------------------------|--------------------------|-----------------------|
| Tax-Supported | \$500,000 | \$592,608.12 | (\$92,608.12) |
| Water Rate-supported | \$150,000 | \$263,381.39 | (\$113,381.39) |
| Wastewater Rate-supported | \$150,000 | \$241,432.92 | (\$91,432.92) |
| Total | \$800,000 | \$1,097,422.43 | (\$297,422.43) |

The Director of Corporate Services recommends using the stormwater, water, and wastewater capital reserve funds to offset the shortfalls and will provide a final recommendation once the project has been completed and as part of the 2023 year-end reserve fund transfers report.

Communication Strategy:

The above-noted Tender was posted on the City's Bids & Tenders website on January 20, 2023, in compliance with the City's Purchasing By-law to be accessible to all potential bidders.

Consultation:

Engineering Services staff were consulted in the preparation of this report.

Attachments:

Capital Detail Sheet 21P.5 - 6th Ave W - 2100 Block - Culvert 9C Replacement

Recommended by:

Bradey Carbert, Manager of Corporate Services
Kate Allan, Director of Corporate Services

Submission approved by:

Tim Simmonds, City Manager

For more information on this report, please contact Bradey Carbert, Manager of Corporate Services at bcarbert@owensound.ca or 519-376-4440 ext. 1240.