

STAFF REPORT: ENGINEERING AND PUBLIC WORKS DEPARTMENT



REPORT TO: **Council**
MEETING DATE: **July 6, 2009**
REPORT NO.: **EPW.09.062**
SUBJECT: **Plan 915 Servicing Reconstruction –
Contract TBM-2009-30 Award of Tender**
PREPARED BY: **Tom Gray, Design Technologist and
Tender Award Committee**

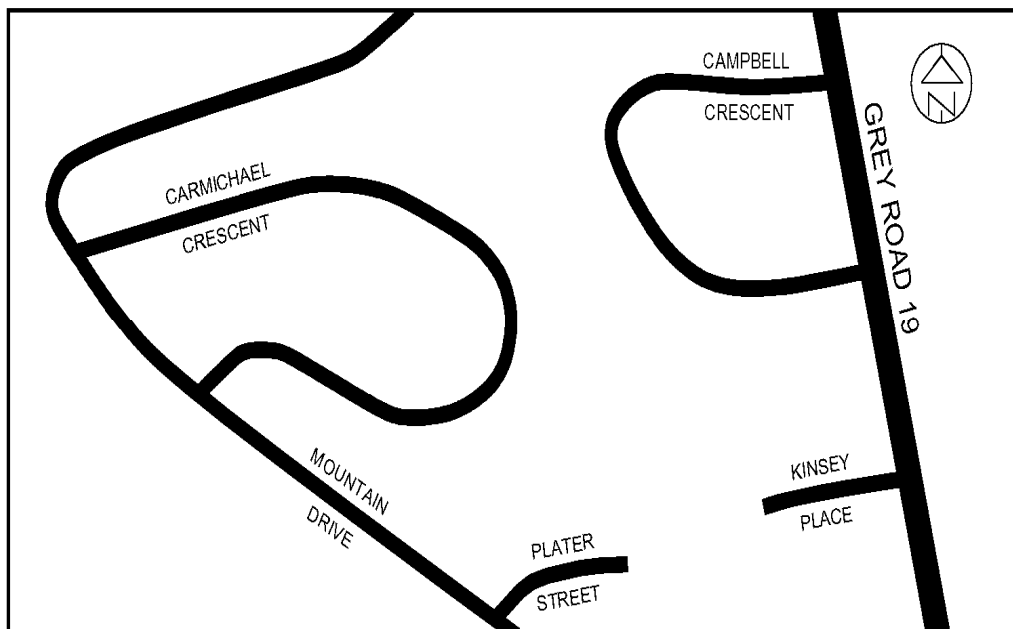
A. Recommendation

THAT Council approve the award of Plan 915 Servicing Reconstruction – Carmicheal Crescent, Campbell Crescent, Kinsey Place and Plater Street (TBM-2009-30) to B & J Contracting in the amount of \$3,167,169, excluding GST, subject to the execution of a Contribution Agreement for the Building Canada Fund – Community Component grant outlined in Report EPW.09.62, “Plan 915 Servicing Reconstruction – Contract TBM-2009-30 Award of Tender” and;

THAT the Mayor and the Clerk be authorized to execute the Contract Documents for TBM-2009-30.

B. Background

The Town is undertaking the reconstruction of the Plan 915 development in response to aging infrastructure. The works include earth excavation, granular base, hot mix asphalt, storm culvert upgrades, sanitary sewer, watermain, street lighting, together with other miscellaneous amenities. Refer to location map below.



The Town applied for Building Canada Fund – Community Component (BCF-CC) grant in May, 2009 for the Plan 915 Reconstruction Project. On June 11, 2009 the Honourable Helena Guergis announced that the Town of The Blue Mountains was successful in its funding application and will be receiving \$2,727,698 towards the reconstruction of the Plan 915 development.

The Tender documents were written based on 2 scenarios. The first scenario considered the Town not receiving the BCF-CC grant. It was proposed to reconstruct Kinsey and Plater streets only in 2009. This is the scenario that was presented to Council during 2009 Budget deliberations. The second scenario was based on receiving the BCF-CC grant. One of the expectations of the BCF-CC application was that 50% of the grant had to be spent by March 2010. Staff felt it prudent that any road reconstructed this year must have a minimum of base coarse asphalt placed prior to winter shut down. It is fair and reasonable that the Contractor be allowed to choose their own schedule in order to meet the goals of the BCF-CC program and the Town. The Contractor is required to submit a construction schedule within 7 days of award of contract. Staff will then be providing the construction schedule to the residents of Plan 915 to allow them as much time as possible to remove private lawn fixtures such as fences, hedges and lights from the Town's road allowance.

Subsequent to the BCF-CC announcement, an addendum to the tender documents was issued to close with the tender's Scenario 2 option only to avoid post-tender confusion.

Tenders for Plan 915 Reconstruction – (TBM-2009-30) were closed on Thursday, June 18, 2009, and a public tender opening took place on the same day. Eighteen companies obtained tender documents and seven tenders were received. The bids included the required tender deposit cheque of \$200,000.00, Agreement to Bond, signed and sealed copy of Addendum #1, 2 & 3 and tender documents. The received bids were reviewed for accuracy by R.J. Burnside to ensure they were mathematically correct. The Consultant's tender report is provided as Attachment #1. There is an outstanding approval required from the Grey Sauble Conservation Authority regarding the works however it is expected shortly or a conditional approval to start works will be obtained. The lowest tender received was from B & J Contracting at \$3,167,169.00, excluding GST.

Project Budget

An estimate of the capital cost was undertaken in preparation of the 2009 Capital Budget which set the project budget at \$3,394,000. Subsequent to the successful application for a BCF-CC grant, the project budget was revised to \$4,140,430 in Report FIS.09.41 to match the funds received from the grant program. Since the tendered contract value was favourable, the total expected project cost of \$3,742,169 is less than the BCF-CC request. Refer to Table 1 below for a summation of expected project costs.

Since the project is fully funded from grants and reserves, Staff recommend that Council accepts the bid of B&J Contracting in the amount of \$3,167,169, excluding GST, being the lowest bid and meeting all the contract document requirements. The tender and award of this project is in compliance with the Town's Purchasing Policy. The award is endorsed by the

Tender Award Committee consisting of the CAO, Director or Engineering and Public Works, and Manager of Purchasing or designates.

Table 1
Expected Project Cost

TBM-2009-30	\$3,167,169
Engineering	\$260,000
Utilities	\$28,000
Other Direct Costs	\$37,000
Contingency	\$250,000
Total Project Cost	\$3,742,169

Although the project budget exceeds the anticipated construction cost, Staff recommend that the budget not be revised because the risk of cost overruns are higher within reconstruction works. Furthermore, since all taxation driven costs are being fully funded, there is no opportunity to further increase the transfer of taxation monies to other projects.

C. The Blue Mountains' Strategic Plan

Town's Strategic Plan Goal # 2 "Addressing the Town's Municipal Infrastructure needs" is in part satisfied by the recommended action.

D. Budget Impact

Report FIS.09.41 outlined the project budget allocation between taxation and user rates with an overall project budget of \$4,140,430. Two-thirds of legible costs up to a maximum of \$2,727,698 can be recovered through the BCF-CC program. All project costs incurred after the BCF-CC funding announcement on June 11, 2009 are eligible for cost sharing with the provincial and federal governments. Costs incurred before June 11, 2009 are estimated at \$70,000 and are ineligible for cost sharing. The amounts of eligible costs are therefore estimated to be \$3,672,169 (\$3,742,169 - \$70,000).

Table 2 below outlines the expected project costs and budget for the various funding budget areas.

Table 2
Summary of Expected Project Costs and Budget Implications

Budget Area	Expected Cost	Budget ⁽¹⁾
Roads and Drainage	\$1,655,966	\$1,693,460
Street Lighting	\$ 210,978	\$213,050
Water	\$726,777	\$912,400
Wastewater	\$1,148,447	\$1,321,520
Total	\$3,742,169	\$4,140,430
Less Ineligible Costs	\$70,000	\$70,000
Total Eligible Costs	\$3,672,169	\$4,070,430
BCF- CC ²/₃ Contribution	\$2,448,112	\$2,727,695
Town Contribution		
¹/₃ Contribution	\$1,224,056	\$1,342,735
Plus Ineligible Costs	\$70,000	\$70,000
Total Town Costs	\$1,294,056	\$1,412,735
Note 1: Project budget based on BCF-CC application.		

The Town's costs on this project will be funded as budgeted \$32,165 from taxation based reserve to cover the share of ineligible costs assigned to Roads and Drainage and Street Lighting. The remaining Town costs on the project will be funded from Water Reserve in the amount of \$485,725 and Wastewater Reserve in the amount of \$894,840 as outlined in Report FIS.09.41.

E. Attached

1. Plan 915 Tender Report prepared by R.J. Burnside, dated June 29, 2009.

Respectfully submitted,

Tom Gray
Engineering Design Technologist

Tender Award Committee

Paul Graham
CAO

Reg Russwurm
Director of Engineering
& Public Works

Sherri Adams
Manager of Purchasing

For more information, please contact:
Tom Gray
tgray@thebluemountains.ca
519-599-3131 ext. 277

R.J. Burnside & Associates Limited 3 Ronell Crescent Collingwood ON L9Y 4J6 Canada
 telephone (705) 446-0515 fax (705) 446-2399 web www.rjburnside.com



June 29, 2009

Via: E-mail (tgray@thebluemountains.ca)

The Town of Blue Mountains
 P.O. Box 310
 26 Bridge Street
 Thornbury, ON,
 N0H 2P0

**Attention: Mr. Tom Gray
 Engineering Design Technologist**

**Re: The Town of Blue Mountains
 Plan 915 Reconstruction
 Tender Results
 File No. MCG 13951**

Dear Mr. Gray,

Further to the Town receiving tenders for the above-noted project on June 18, 2009, we are pleased to forward the following report.

Seven (7) tenders were opened publicly at the Town Office's at 2:15 p.m. on June 18, 2009. Following the opening, all bids were checked for accuracy and completeness. All Tender's were accurate and complete with the exception of B&J Contracting, Arnott Construction, and John Bravakis Enterprises which had mathematical errors with the Sub-Total Tender Price. The total for B&J Contracting was revised from \$3,164,769.00 to \$3,167,169.00, Arnott Construction was revised from \$3,905,053.00 to \$3,857,173.00, and John Bravakis Enterprises was revised from \$3,827,074.50 to \$3,881,078.50.

The tender results with above-noted corrections are as follows:

TENDERER NAME	ANNOUNCED TENDER AMOUNT (GST Excluded)	CORRECTED TENDER AMOUNT (GST Excluded)
B&J Contracting	\$3,164,769.00	\$3,167,169.00

E.C. King	\$3,703,124.15	\$3,703,124.15
Brantford Engineering	\$3,793,497.50	\$3,793,497.50
Arnott Construction	\$3,905,053.00	\$3,857,173.00
John Bravakis Enterprises	\$3,827,074.50	\$3,881,078.50
Seeley & Arnill	\$4,005,716.90	\$4,005,716.90
Tectonic	\$4,029,406.25	\$4,029,406.25

All bids included issued addendums and a certified cheque in accordance with the tendering requirements. The Town Purchasing department is holding the cheques of the two (2) low bidders and following the award of the contract will return the cheques, in accordance with the tendering procedures.

Based on our previous work experience with B&J Contracting and checking many of the references listed within the provided document, we recommend that the Town of Blue Mountains award the contract for the Plan 915 Reconstruction project to the low bidder, B&J Contracting, at their price of \$3,167,169.00 (+GST).

Please advise when Council has awarded the project and pending upon GSCA approval and finalization of federal funding details, we will contact B&J Contracting to arrange a preconstruction meeting.

We trust that you will find the above to be in order. If you have any questions or require clarification, please feel free to contact me.

Yours truly,

R.J. Burnside & Associates Limited



Jim Georgas, C.E.T.
JG:js