



Staff Report

Report Title: H38 Rehabilitation 2

Prepared By: John Yungblut, Director of Public Works

Department: Public Works

Date: Mar. 20, 2023

Report Number: PW-2023-03-19

File Number: T11 H38 23

Attachments: BM Ross Letter

Recommendation:

That the Township of Huron-Kinloss Council hereby receives for information Report Number PW2023-03-19 prepared by John Yungblut, Director of Public Works;

AND FURTHER accepts the tender from AJN Builders Inc. in the amount of \$950,185.00 plus HST;

AND FURTHER directs Staff to bring forward the appropriate By-Law as matters arising from this meeting.

Background:

At the Feb. 17, 2023 Budget Meeting, Staff brought forward a report outlining three options for the rehabilitation of structure H38 on Lake Range Dr., also known as Bell Bridge: a full closure, fully staged construction with one open lane and a hybrid approach. Council approved proceeding with the fully closed option, due the significant cost savings. At that time, the estimated construction cost of the project was \$630,000 plus HST.

The tender was issued on Feb. 23rd with a March 10th closing date. Two bids were received:

| Bidder | Amount (excluding HST) | Amount (including non-refundable HST) |
|-------------------|-------------------------------|--|
| AJN Builders Inc. | \$950,185.00 | \$966,908.25 |

| | | |
|---------------------------------------|----------------|----------------|
| McLean Taylor Construction Limited | \$1,026,988.11 | \$1,045,063.10 |
|---------------------------------------|----------------|----------------|

To help mitigate the impact of a fully closed bridge for the approximate 12 week construction period, Staff specified in the tender that the bridge must be either fully open to traffic by July 31st or they will not be able to close the bridge to traffic until Aug. 1st.

Discussion:

The tender review letter from our engineer is attached to this report. It should be noted that the prices included in the report include 13% HST. Although both bids are significantly over the amount budgeted for this project, the fact that both bids are similar, indicates that the pricing is competitive for our current market.

Our engineer, B.M. Ross & Associates, have been seeing significant increases in bridge tender pricing compared to bids that were received last year and it is difficult to foresee pricing increases of this magnitude year over year.

Staff do not recommend re-tendering the project because there is very little reason to believe that we would see lower prices and the re-tendering process would eliminate the possibility of completing this project in the May-July timing window, so we would either need to restrict the contractor to an August-October window or allow for construction to occur through the entire summer.

Delaying this project will also prevent us from maintaining the ten-year bridge rehabilitation plan as recommended by our engineer. The current plan is as follows, with pricing based on 2022 estimates:

| Bridge Number(s) | Year | Estimated Project Amount |
|-------------------------|-------------|---------------------------------|
| H38 | 2023 | \$630,000 |
| L3 & L1 | 2024 | \$500,000 |
| L2 & K3 | 2025 | \$876,000 |
| H28 | 2026 | \$821,000 |
| L6, L7, H51 & H32 | 2027 | \$260,000 |
| K19 & H56 | 2028 | \$669,000 |
| K8 | 2029 | \$595,000 |
| H7, H11, & H29 | 2030 | \$468,000 |
| H44 | 2031 | \$592,000 |
| H45 | 2032 | \$429,000 |

Based on the tender prices so far this year, we will need to revise these estimates to reflect the current market, however, the table illustrates how difficult it will be to complete this project at a later date without extending the timeline.

For comparison purposes, Township Staff requested a revised estimate for the fully staged option from our engineer, which was originally estimated to cost \$1,200,000. The updated estimate (based on the tender prices received) is now \$1,600,000. The Bridge Replacement Reserve would, therefore, not be able to cover the additional expense of the fully staged option.

Township Staff do not have experience working with the low bidder however, they have a very good reputation within the industry and a track record of being able to stay on schedule.

Financial Impacts:

The proposed 2023 Capital Budget includes \$750,000 for the rehabilitation of structure H38, which will be funded by our allotment from the Canada Community-Building Fund (CCBF) and the Bridge Replacement Reserve. The reserve currently has a balance of \$1,273,797.56 and our 2023 CCBF allotment is \$233,942.00. If reserve funds are used to cover the increased cost of the lowest bid and engineering fees, we expect the Bridge Replacement Reserve to have an approximate closing balance of \$460,000.

Strategic Alignment / Link:

The information provided in this report is consistent with and in keeping with the Municipality's Vision & Mission. The recommendations contribute to our goals in achieving a prosperous community that continues to grow in a sustainable manner by investing in infrastructure.

Respectfully Submitted By:

John Yungblut, Director of Public Works.

Approved By:

Mary Rose Walden, Chief Administrative Officer