



Staff Report

Report Title: Park Street Municipal Drain Tender Results

Prepared By: Jennifer White, Manager of Legislative Services/Clerk

Department: DRAINS

Date: Jan. 15, 2024

Report Number: DRAIN-2024-01-1

File Number: C11 DRAIN

Attachments: None

Recommendation:

THAT the Township of Huron-Kinloss Committee of the Whole hereby receives for information Report Number DRAIN-2024-01-01 prepared by Jennifer White, Manager of Legislative Services;

AND FURTHER THAT Staff bring forward a by-law as a matters arising to award the construction of drainage works to TAS Excavating & Rentals Ltd. in the amount of \$457,685.80 exclusive of applicable taxes.

Background:

In response to three appointments by the Township of Huron-Kinloss (October 15, 2018, April 7, 2021 and May 16, 2022) R. J. Burnside & Associates prepared a report under Section 78 of the Drainage Act, R.S.O. 1990, D.17 for improvements to the Park Street Municipal Drain, Railway Street Municipal Drain and incorporation of the 1947 Ripley Street Storm Sewer under Section 4 of the Act.

Council adopted this report on the 17th of July having fulfilled the requirements of the *Drainage Act, 1990*. The report provides the basis for construction and maintenance of drainage works and determines assessment schedules for these improvement works. Having completed the required public consultations and completing the appeals period, the project was tendered for construction.

Discussion:

Tender Call No. 1

Tender documents were sent out directly to drainage contractors and posted to the municipal website on May 18, 2022, with a closing date of June 14, 2022. With one bid being received. This bid was for an autumn of 2024 construction period and was more than 133% over the Engineer's estimated construction costs, which would require an additional public meeting under the *Drainage Act* to consider approval.

Administration spoke with the Engineer to discuss the lack of interest in the project and received the following feedback:

Timing issues for the 2023 season: Contractors were fully booked in 2023 and for various reasons were behind on most contracts and did not have time to fully consider the bid.

Inflation Costs: Market increases and inflation compounded with the Project size and scope, Contractors had concerns with rising material costs and fuel prices and were not yet ready to commit to 2024 pricing.

The bid was rejected, and the project was set to be retendered later.

Tender Call No. 2

A second Tender call was posted to the municipal website and documents were sent directly to drainage contractors with a closing date of December 14, 2023. Multiple tenders were received, and the results are as follows:

Contractor	Tender Bid (excluding HST)
TAS Excavating & Rentals Ltd.	\$457,685.80
Horst Excavating Inc.	\$463,425.00
Dozlan Construction Corp.	\$475,100.00
Kurtis Smith Excavating Inc.	\$508,000.00
Murray Mills Excavating & Trucking (Sarnia) Ltd.	\$514,920.00
Van Bree Drainage and Bulldozing	\$544,046.50
Moorefield Excavating Ltd.	\$642,940.00

Based on the review of R. J. Burnside & Associates Ltd for mathematical errors and omissions, the above are the confirmed, correct tender prices submitted.

The lowest tender was submitted by TAS Excavating & Rentals Ltd. in the amount of \$457,685.80. This tender price is approximately 126% percent of the engineer's estimate of \$362,230 as contained within the Park Street Drain report (By-Law 2023-038).

There are three options for Council to consider:

Option 1 – Award the tender to the lowest bidder.

Option 2 – Reject the tenders and re-tender the project for a third time.

Option 3 – Reject the tenders and stop the proceedings of the project.

In review and discussion of the three options, Administration is providing the following information for consideration:

- There is risk in re-tendering the project for a third time, whereby the Township could either receive no bids, or higher bids due to the time of year.
- Contractors are already preparing their work schedules for the next calendar year.
- Re-tendering would increase project and engineering costs.
- Rejecting the tenders and stopping the proceedings of the project under section 44 of the Drainage Act, Council has no ability to recover costs incurred to date. Landowners would have rights to appeal Council's decision to stop the process to the Tribunal under section 45 and the decision may further be appealed to the Referee under Sections 101 and 106 (2) of the Drainage Act.

Based on the foregoing discussion points, Staff and the Project Engineer is recommending that Council award the tender to the lowest bidder.

Financial Impacts:

The Township of Huron-Kinloss is assessed at \$122,530.

Strategic Alignment / Link:

We are an environmentally conscious community that are good stewards of our natural environment.

Respectfully Submitted By:

Jennifer White, Manager of Legislative Services/Clerk

Report Approved By:

Mary Rose Walden, Chief Administrative Officer