



The Corporation of the Town of Tecumseh

Public Works & Engineering Services

To: Mayor and Members of Council

From: Phil Bartnik, Director Public Works & Engineering Services

Date to Council: January 25, 2023

Report Number: PWES-2023-11

Subject: South Talbot Road Drain East & 12th Line Drain – Tender Results Meeting to Consider Contract Price (s. 59 Drainage Act)

Recommendations

It is recommended:

That report PWES-2023-11 South Talbot Road Drain East & 12th Line Drain – Tender Results, Meeting to Consider Contract Price (s.59 Drainage Act), **be received**;

And that direction **be given** to Administration to proceed with Option ___ (Select A or B) as outlined with Administrative Report PWES-2023-11;

And further that if Option A is selected by Council, that By-Law 2023-04 **be given** first, second, third and final reading, to authorize the Mayor and Clerk to execute an agreement, satisfactory in form to the Town's solicitor, with Nevan Construction Inc.

Background

On July 12, 2022, Council considered report [PWES-2022-29](#) for the repair and improvement of the South Talbot Road Drain East and 12th Line Drain under the Drainage Report by Josh Warner, P.Eng., of R. Dobbin Engineering Inc. dated May 18, 2022, and provisionally adopted By-Law 2022-052 (Motion: RCM- 219/22).

This project consists of the cleanout of a portion of the South Talbot Road Drain East to accommodate a proposed culvert, replacement of existing access culverts as required and the construction of a buffer strip. The drainage report also provides future specifications for remaining culverts.

The installation of Culvert No. 6, the cleanout of the channel and levelling was tendered and completed in 2019 as part of a land severance. The remaining work was tendered in 2022.

Comments

A tender call for the Project was advertised on the Town's website on December 5, 2022. Four (4) tenders were received on December 22, 2022. The tender results are summarized as follows:

Contractor	Tender (excluding HST)
Nevan Construction Inc.	\$123,558
Shepley Excavating & Road Maintenance	\$124,457.50
Quinlan Inc.	\$194,160
Matassa Inc.	\$197,240

Based on the review by R. Dobbin Engineering Inc. (Dobbin), the above are the confirmed correct tender prices submitted.

Drainage Act Procedure

The lowest tenderer was Nevan Construction Incorporated in the amount of \$123,558. This tender price is approximately 64% higher than the Engineer's Estimate of \$75,135 as contained within the South Talbot Road Drain East and 12th Line Drain report (By-Law 2022-052).

According to Section 59(1), if the contract price exceeds 133 percent of the engineer's construction estimate, the Council of the initiating municipality shall call a meeting to consider the contract price with the affected landowners and discuss the next steps. As the lowest tendered bid was greater than 133%, this public meeting has been scheduled to permit affected landowners to represent any concerns to Council prior to deliberation of the options set out in this report.

Discussion of Options

There are two options for Council to consider:

Option A – Award the tender to the lowest bidder

Option B – Reject the tenders and re-tender the project for a second time

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

- There is risk in re-tendering the project for a second time, whereby the Town could either receive no bids, or higher bids;
- Re-tendering would increase project and engineering costs;
- The lowest bidder was 164% higher than the estimated construction value;
- The increase in costs is mainly attributed to the high prices for the concrete block end walls on Concession Road 11. These were estimated in the Engineer's report at \$200/block, while the lowest tenderer had a cost of \$800/block;
- With the acceptance of the low tender, the total project costs (construction, engineering, contingency, etc.) are valued at \$200,449 and further outlined in the Financial Implications section of this report. This would then translate to a total assessment of:
 - Roads: Net increase of 84%
 - South Talbot Road – decrease by 2%
 - Concession Road 11 – increase by 103%
 - Concession Road 12 – decrease by 12%
 - Landowners: decrease of approximately 12%

Based on the foregoing discussion points, Administration is recommending that Council proceed with Option A – Award the tender to the lowest bidder.

Consultations

Financial Services
R. Dobbin Engineering Inc.

Financial Implications

The tendered/projected project costs are as follows:

Project Cost	Amount (excluding HST)
Construction previously completed	\$24,446
Construction tender	\$123,558
Engineering	\$23,030
Inspection	\$6,500
Allowances	\$19,290
ERCA	\$500
Net HST 1.76%	\$3,125
Total	\$200,449

Should Council select to proceed with Option A (award the tender to the lowest bidder), this would result in approximately a 64% increase for the construction estimate and approximately a 12% reduction in most landowners' **total assessment** as compared to the South Talbot Road Drain East and 12th Line Drain report.

The Town's **total assessment** would have a Net increase of 84% from \$67,623 to \$124,132. The adjusted assessments are outlined in Appendix A of Attachment 1.

Link to Strategic Priorities

Applicable	2019-22 Strategic Priorities
<input type="checkbox"/>	Make the Town of Tecumseh an even better place to live, work and invest through a shared vision for our residents and newcomers.
<input checked="" type="checkbox"/>	Ensure that Tecumseh's current and future growth is built upon the principles of sustainability and strategic decision-making.
<input type="checkbox"/>	Integrate the principles of health and wellness into all of Tecumseh's plans and priorities.
<input checked="" type="checkbox"/>	Steward the Town's "continuous improvement" approach to municipal service delivery to residents and businesses.
<input type="checkbox"/>	Demonstrate the Town's leadership role in the community by promoting good governance and community engagement, by bringing together organizations serving the Town and the region to pursue common goals.

Communications

Not applicable ☒

Website ☐

Social Media ☐

News Release ☐

Local Newspaper ☐

This report has been reviewed by Senior Administration as indicated below and recommended for submission by the Chief Administrative Officer.

Prepared by:

Alessia Mussio, E.I.T.
Drainage Superintendent

Reviewed by:

Phil Bartnik, P.Eng.
Director Public Works & Engineering Services

Reviewed by:

Tom Kitsos, CPA, CMA, BComm
Director Financial Services & Chief Financial Officer

Recommended by:

Margaret Misek-Evans, MCIP, RPP
Chief Administrative Officer

Attachment Number	Attachment Name
1	R. Dobbin Engineering Inc. Recommendation Letter (dated December 22, 2022) for South Talbot Road Drain East & 12 th Line Drain Tender Results