



## 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:** February 13, 2024

**Report Number:** PWES-2024-06

**Subject:** Delduca Drive Sanitary Sewer Extension – Tender Award

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### Recommendations

It is recommended:

**That** the tender for the Delduca Drive Sanitary Sewer Extension project in the amount of \$4,747,000.00, excluding HST, **be awarded** to J&J Lepera Infrastructures Inc.;

**And that** By-Law 2024-005 **be considered for** 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 J&J Lepera Infrastructures Inc.;

**And further that** funding allocation, reflecting a total budget requirement of \$5,840,300 with an overall \$435,600 increase to the original allocation **be accommodated** as follows:

- Road Lifecycle Reserve – decrease from \$2,153,900 to \$1,971,100
- Watermain Reserve Fund – increase from \$35,900 to \$334,800
- Wastewater Sewer Reserve Fund – increase from \$1,316,700 to \$1,908,400
- Storm Sewer Lifecycle Reserve – decrease from \$1,898,200 to \$1,626,000

### Background

In December 2018, Council approved the recommendations of Report [PWES-2018-08](#) that authorized Administration to complete the engineering design for the Delduca Drive Sanitary Sewer Extension project. In accordance with this report, Stantec Consulting Ltd. (Stantec) was retained to complete the detailed engineering design.

The Delduca Drive Sanitary Sewer Extension project is a continuation of the sanitary sewer servicing within the 8<sup>th</sup> Concession Road sanitary service area. The project includes the extension of a sanitary sewer along Delduca Drive and will incorporate the strategic priorities of growth and economic development as outlined within the May 5, 2022 SCM [Presentation](#) and confirmed in Council's new Strategic Plan.

At the January 26, 2023 Special Meeting of Council, Council approved the recommendations within report [PWES-2023-01](#), titled "2023-2027 Public Works & Engineering Services Five-Year Capital Works Plan" that authorized Administration to finalize the design and tender in 2023 and proceed with construction in 2024 for the Delduca Drive Sanitary Sewer Extension project (Motion: SCM-04/23).

## Comments

The tender documents for the Delduca Drive Sanitary Sewer Extension project were posted on the Town's Bids and Tenders portal on November 23, 2023, with a closing date of December 14, 2023. The tender documents generally included the furnishing of all labour and materials necessary to carry out the following work:

- Installation of new sanitary sewers along Delduca Drive and within an easement from Delduca Drive to the 8<sup>th</sup> Concession Road
- Installation of new storm sewer system along Delduca Drive
- Full reconstruction and surface restoration of Delduca Drive

Nine (9) tenders were received on December 14, 2023, and were opened virtually in the presence of the Town's Purchasing Officer. Stantec has reviewed the tenders and provided a summary letter which is included as Attachment 1. The tender results are summarized as follows:

<b>Tenderer/Company Name</b>	<b>Total Tender Price (excluding HST)</b>
J&J Lepera Infrastructures Inc.	\$4,747,000.00
Nevan Construction Inc.	\$4,777,775.00
Sherway Contracting (Windsor) Ltd.	\$4,883,280.34
Major Construction (2010) Ltd.	\$5,328,989.20*
D'Amore Construction (2000) Ltd.	\$5,370,000.00
Sterling Ridge Infrastructure Inc.	\$5,438,874.30*
GIP Paving Inc.	\$5,838,639.00
SheaRock Construction Group Inc.	\$6,000,000.00
Rudak Excavating Inc.	\$6,412,000.00

\*Denotes corrected total

There were no major inconsistencies, omissions, or unbalanced pricing found in any of the tenders submitted. All Tenderers included a 10% bid bond and agreement to bond in their tender submission.

Minor mathematical errors were identified in the tender submissions from Major Construction (2010) Ltd. and Sterling Ridge Infrastructure Inc. These mathematical errors were identified and corrected by Stantec, with the corrected total tender prices being shown in the above table. Corrections to the bid pricing did not result in any changes to the original standings of the tenders. Details of the mathematical errors and subsequent corrections can be found in Attachment 1.

Based on the low tender submission, Administration in consultation with Stantec recommends that Council award the tender for the Delduca Drive Sanitary Sewer Extension in the amount of \$4,747,000, excluding HST, to J&J Lepera Infrastructures Inc.

## **Consultations**

Financial Services  
Stantec Consulting Ltd.

## Financial Implications

Report [PWES-2023-01](#) provided an estimated project cost of \$5,404,700 with the total approved funding as follows:

Lifecycle Reserve Fund	Amount
Road Lifecycle Reserve	\$2,153,900
Watermain Reserve Fund	\$35,900
Wastewater Sewers Reserve Fund	\$1,316,700
Storm Sewer Lifecycle Reserve	\$1,898,200
<b>Total</b>	<b>\$5,404,700</b>

The tendered/projected costs are summarized below:

Cost Item	Amount
Construction (tender)	\$4,747,000
Engineering	\$598,800
Archaeology and Indigenous Consultation	\$2,000
Legal Services and Property	\$270,500
Approvals (ERCA)	\$1,400
Utility Relocations	\$19,600
Budgetary Contingency	\$100,000
Sub-total	\$5,739,300
Non-rebated HST (1.76%)	\$101,000
<b>Total</b>	<b>\$5,840,300</b>

The total tendered/projected project cost is above the original \$5,404,700 budget by \$435,600. This is mainly due to additional allowances that were included to address potential watermain conflicts/improvements, cost increases for easement acquisition due to current land value and property negotiations, interim drainage provisions required until the Hurley Relief Drain is improved in accordance with the recommendations of the Oldcastle Stormwater Master Plan and the tender results.

Based on the updated distribution of costs within the tender, funding from reserves is to be adjusted as shown in the table below:

<b>Delduca Sanitary Sewer Extension</b>	<b>Project Budget</b>	<b>Tendered / Projected Costs</b>	<b>Change</b>
Road Lifecycle Reserve	\$2,153,900	\$1,971,100	-\$182,800
Watermain Reserve Fund	\$35,900	\$334,800	\$298,900
Wastewater Sewers Reserve Fund	\$1,316,700	\$1,908,400	\$591,700
Storm Sewer Lifecycle Reserve	\$1,898,200	\$1,626,000	-\$272,200
<b>Total</b>	<b>\$5,404,700</b>	<b>\$5,840,300</b>	<b>\$435,600</b>

Estimated recoveries from landowners for the sanitary sewers are expected to be \$1,050,000 and will be finalized once the Part XII By-Law for the 8<sup>th</sup> Concession Road sanitary service area is in place.

## Link to Strategic Priorities

Applicable	2023-2026 Strategic Priorities
<input checked="" type="checkbox"/>	Sustainable Growth: Achieve prosperity and a livable community through sustainable growth.
<input type="checkbox"/>	Community Health and Inclusion: Integrate community health and inclusion into our places and spaces and everything we do.
<input checked="" type="checkbox"/>	Service Experience: Enhance the experience of Team Tecumseh and our citizens through responsive and respectful service.

## 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:

Joseph Lappalainen, E.I.T.  
Project Technician

Reviewed by:

John Henderson, P.Eng.  
Manager Engineering Services

Reviewed by:

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

Reviewed by:

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

Recommended by:

Margaret Misek-Evans, MCIP, RPP  
Chief Administrative Officer

<b>Attachment Number</b>	<b>Attachment Name</b>
1	Tender Results Summary and Award Recommendation Letter



Legal Entity  
 Stantec Consulting Ltd.  
 2555 Ouellette Place, Suite 100  
 Windsor, Ontario N8X 1L9  
 Tel: (519) 966-2250  
 Fax: (519) 966-5523

January 10, 2024  
 File: 165620170

Town of Tecumseh  
 917 Lesperance Road  
 Tecumseh, ON  
 N8N 1W9

**Attention: Mr. John Henderson, P.Eng.**  
**Manager Engineering Services**

Dear Sir,

**Reference: Tender Report**  
**DELDUCA DRIVE SANITARY SEWER EXTENSION**

Tenders for the above referenced project were received at the Town of Tecumseh offices until 2:00 pm, local time, Thursday, December 14, 2023. A total of nine (9) tenders were submitted, with the tenders opened publicly on that date at 2:10 p.m. The tender amounts (excluding HST) are shown below.

<b><u>CONTRACTOR</u></b>	<b><u>TENDER PRICE (Not Including HST)</u></b>
1. J&J Lepera Infrastructures Inc.	\$4,747,000.00
2. Nevan Construction Inc.	\$4,777,775.00
3. Sherway Contracting Ltd.	\$4,883,280.34
4. Major Construction (2010) Ltd.	\$5,328,989.20*
5. D'Amore Construction (2000) Ltd.	\$5,370,000.00
6. Sterling Ridge Infrastructure Inc.	\$5,438,874.30*
7. GIP Paving Inc.	\$5,838,639.00
8. SheaRock Construction Group Inc.	\$6,000,000.00
9. Rudak Excavating Inc.	\$6,412,000.00

\*denotes corrected total





**Reference: Tender Report  
DELDUCA DRIVE SANITARY SEWER EXTENSION**

One (1) Addendum was issued during tendering. All tenderers noted that they had received Addendum one in their Form of Tender.

The forms (Statement “A” to “F”) on pages T-24 to T-29 listing experience, equipment, and subcontractors, and proposed excess soil registry requirements were completed by all tenderers as required.

*The tenders were checked for inconsistencies, omissions, unbalanced pricing, and other items that would raise concerns. Some minor items were noted as shown below:*

**Tender submitted by J&J Lepera Infrastructure Inc.**

- Item A.2. Price per unit was found to be substantially lower than the other submitted tenderers.
- Item A.5. Price per unit was found to be significantly higher than the other submitted tenderers.
- Item 2.(a) in the Schedule of Additional Unit Prices. Price per unit was found to be significantly higher than the other submitted tenderers and our anticipated price.

The above variations are relatively minor in nature and do not pose a significant concern. As a result, no further action was taken.

**Tender submitted by Nevan Construction Inc.**

- Items A.7.(a), (b), (c), (d), A.10., C.16.(c)., and D.14. Price per unit was found to be substantially lower than the other submitted tenderers.
- Items C.10. and C.13.(a). Price per unit was found to be significantly higher than the other submitted tenderers.

The above variations are somewhat minor in nature and do not pose a significant concern. Since this is the second lowest tender; no further action was taken.

**Tender submitted by Sherway Contracting Ltd.**

- Items A.3., B.8.(a), (b), (d), (e)., C.7., C.9.(a)., and D.13. Price per unit was found to be substantially lower than the other submitted tenderers.
- Items A.6, A.8, A.23., A.25., B.9.(a)., B.10., and C.17. Price per unit was found to be significantly higher than the other submitted tenderers.

The above variations are somewhat minor in nature and do not pose a significant concern. Since this is the third lowest tender; no further action was taken.



**Reference: Tender Report  
DELDUCA DRIVE SANITARY SEWER EXTENSION**

**Tender submitted by Major Construction (2010) Ltd.**

- Item B.6. Price per unit was found to be substantially lower than the other submitted tenderers.
- Items D.14. and D.15. Price per unit was found to be significantly higher than the other submitted tenderers.

The above variations are somewhat minor in nature and do not pose a significant concern. Since this is the fourth lowest tender; no further action was taken.

**Tender submitted by D'Amore Construction (2000) Ltd.**

- Items B.11., B.12., C.19., C.20., D.4., D.5., D.6 and D.12.(b), (c), (d). Price per unit was found to be significantly higher than the other submitted tenderers.

The above variations are somewhat minor in nature and do not pose a significant concern. Since this is the fifth lowest tender; no further action was taken.

**Tender submitted by Sterling Ridge Infrastructure Inc.**

No inconsistencies, omissions, or unbalanced pricing were noted.

**Tender submitted by GIP Paving**

- Items A.3., A.13 and D.10. Price per unit was found to be significantly higher than the other submitted tenderers.
- Item A.16. Price per unit was found to be substantially lower than the other submitted tenderers.

The above variations are somewhat minor in nature and do not pose a significant concern. Since this is the seventh lowest tender; no further action was taken.

**Tender submitted by SheaRock Construction Group Inc.**

- Item A.2., A.6., A.7.(a), (b), (c), (d), A.8., A.13., B.10., and D.10. Price per unit was found to be substantially lower than the other submitted tenderers.
- Item D.2.(b) Price per unit was found to be significantly higher than the other submitted tenderers.
- Item 2.(a), (b) in the Schedule of Additional Unit Prices. Price per unit was found to be significantly higher than the other submitted tenderers.

The above variations are somewhat minor in nature and do not pose a significant concern. Since this is the second highest tender; no further action was taken.

**Tender submitted by Rudak Excavating Inc.**

- Item C.18. (a), (b), (c). Price per unit was found to be significantly higher than the other submitted tenderers.



**Reference: Tender Report  
DELDUCA DRIVE SANITARY SEWER EXTENSION**

The above variations are somewhat minor in nature and do not pose a significant concern. Since this is the highest tender; no further action was taken.

*Tenders were checked for mathematical and clerical errors. Some small mathematical and clerical errors were found in some tenders. The following errors were noted:*

**Major Construction (2010) Ltd.**

- The incorrect total tender price (including H.S.T.) was inputted on page T1 of the Form of Tender. The total inputted was exclusive of H.S.T.
- Item A.25. Unit price per unit was not multiplied by the correct quantity. The total was revised from \$1,750.00 to \$1,925.00. As a result of this change, the total for Part A – Removals and Road Reconstruction and the Total Tender Price were also increased by \$175.00 to account for this error.
- Due to multiplication error, total price for Item B.1.(a) was corrected from \$29,479.19 to \$29,479.20.
- Due to multiplication error, total price for Item B.1.(b) was corrected from \$102,239.96 to \$102,240.00.
- When taking into account the above corrections, the Total Price (excluding H.S.T.) was revised from \$5,328,814.20 to \$5,328,989.20.

**Sterling Ridge Infrastructure Inc.**

- Due to multiplication error, total price for Item B.2. was corrected from \$14,012.01 to \$14,012.00.
- Due to multiplication error, total price for Item C.6.(f). was corrected from \$7,570.00 to \$7,570.50.
- Due to multiplication error, total price for Item 1.(d). in the Schedule of Additional Unit Prices was corrected from \$5,842.00 to \$5,842.40.
- Due to multiplication error, total price for Item 6.(a). in the Schedule of Additional Unit Prices was corrected from \$8,921.00 to \$8,921.20.
- Due to multiplication error, total price for Item 6.(c). in the Schedule of Additional Unit Prices was corrected from \$3,160.00 to \$3,160.60.
- Due to multiplication error, total price for Item 6.(d). in the Schedule of Additional Unit Prices was corrected from \$5,121.00 to \$5,121.20.
- Due to multiplication error, total price for Item 6.(e). in the Schedule of Additional Unit Prices was corrected from \$6,321.00 to \$6,321.20.
- As a result of the changes above to the Schedule of Additional Unit Prices, the Contingency Allowance, total for Part “D” – Miscellaneous, and the Total Tender Price were increased by \$1.30 to account for these rounding errors.
- When taking into account the above corrections, the Total Price (excluding H.S.T.) was revised from \$5,438,879.00 to \$5,438,874.30.



**Reference: Tender Report**  
**DELDUCA DRIVE SANITARY SEWER EXTENSION**

**Rudak Excavating Inc.**

- Total price for Item B.9. was corrected from \$3,270.00 to \$68,670.00. This error was not reflected in the total for Part "B" or the total tender price, so the total tender price did not have to be corrected.

No mathematical or clerical errors were found in any of the other tenders.

A 10% bid bond and agreement to bond was included with all tenders as required.

The Engineer's adjusted Pre-Tender Opinion of Probable Cost (OPC) was \$5,929,542.50 (excluding HST) for the construction of Delduca Drive which was based on historical prices for similar projects and considered inflation rate increases in recent years.

J&J Lepera Infrastructures Inc was the low bidder for this project. Their tender price of \$4,747,000.00 excludes HST but includes \$33,000.00 in cash allowances and \$742,760.00 in contingency allowances.

J&J Lepera Infrastructures Inc's bid of \$4,747,000.00 is lower than the second tenderer by only \$30,775.00 (0.65%). J&J Lepera Infrastructures Inc's bid is lower than the third tenderer by \$136,280.34 (2.87%). Their Total Tender Price is \$1,182,542.50 (19.94%) lower than the Engineer's OPC of \$5,929,542.50 (excluding HST). The low tender price compared to the Engineer's OPC may be due to the lower inflation rate along with the increase in number of contractors looking for work at this time. The price ranges between the tenders are within reason for this project and appear to be very competitive.

We have worked with J&J Lepera Infrastructures Inc. on numerous past projects and are familiar with their on-site and senior supervisory staff. We are familiar with their sub-contractors and have no concerns with their abilities. We are confident based on past projects, and their list of successfully completed work that J&J Lepera Infrastructures Inc. can successfully complete this project.

We recommend the project be awarded J&J Lepera Infrastructures Inc. at the unit prices indicated in the tender.

Feel free to call if you have any questions or require additional information.

Regards,

**STANTEC CONSULTING LTD.**

Clarence Jubenville, P.Eng.  
Sr. Project Engineer  
Phone: (519) 966-2250 Ext. 241  
Fax: (519) 966-5523  
clarence.jubenville@stantec.com