

November 6, 2017
File: 165620120

Attention: Kevin Girard, P.Eng.
Manager of Municipal Services

Town of Kingsville
Corporation of the Town of Kingsville
2021 Division Road North
Kingsville Ontario N8X 4L4

Dear Kevin,

**Reference: County Road 18 Watermain Extension from County Road 34 Easterly
Report on Tenders**

Following is our report on tenders for Town of Kingsville Contract No. MS17-202 - County Road No.18 Watermain Extension from County Road No.34 Easterly to M&M Farms Ltd.

1.0 BACKGROUND

The project consists of two alternative watermain designs as follows:

- Alternate No.1 is based on the recommendations of the Engineer's Report accepted by Council in May 2017 under resolution 388-2017 which called for the construction of a new 250mm dia. watermain along County Road 18 from County Road 34 easterly for approximately 725 meters to service a proposed new 24-acre greenhouse development at Municipal No. 1755 owned by M&M Farms Ltd.
- Alternate No.2 is based on oversizing the above proposed 250mm dia. watermain to 300mm dia. so as to create spare conveyance capacity for long term future benefits along County Road 18 east of County Road 34.

2.0 TENDERS

Tenders for the above noted project were advertised on and received by the Town of Kingsville via the Town's electronic tendering system until 11:00 a.m. Thursday, November 2, 2017. A total of five (5) addenda were issued during the tender period to extend the closing date, undertake test pits, revise watermain configuration, clarify items in the tender documents and answer questions by prospective Tenderers.

The following table summarizes the Tenders received with total tender prices and date of completion for each of the two alternates. These total tender prices include costs for provisional items and contingency allowance but do not include HST.



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RANK	TENDERER	TOTAL TENDER PRICE (HST excluded)	DATE FOR COMPLETION
ALTERNATIVE NO.1			
1	<i>Coco Paving Inc.</i>	<i>\$ 510,125.30</i>	<i>May 4, 2018</i>
2	D'Amore Construction (2000) Ltd.	\$ 514,796.00	May 4, 2018
3	Major Construction (2010) Ltd.	\$ 615,625.50	May 4, 2018
4	SLR Contracting	\$ 624,616.00	May 4, 2018
5	J&J Lepera Infrastructures	\$ 627,625.00	May 4, 2018
6	Sherway Contracting (Windsor) Ltd.	\$ 698,730.80	May 4, 2018
7	Amico Infrastructures Inc.	\$ 714,950.00	May 4, 2018
8	SheaRock Construction Group Inc.	\$ 806,635.00	May 4, 2018
ALTERNATIVE NO.2			
1	<i>Coco Paving Inc.</i>	<i>\$ 536,959.20</i>	<i>May 4, 2018</i>
2	D'Amore Construction (2000) Ltd.	\$539,902.00	May 4, 2018
3	Major Construction (2010) Ltd.	\$636,249.00	May 4, 2018
4	SLR Contracting	\$ 658,781.00	May 4, 2018
5	J&J Lepera Infrastructures	\$ 662,625.00	May 4, 2018
6	Amico Infrastructures Inc.	\$ 730,670.00	May 4, 2018
7	Sherway Contracting (Windsor) Ltd.	\$ 740,345.90	May 4, 2018
8	SheaRock Construction Group Inc.	\$ 830,492.00	May 4, 2018

3.0 Detailed Report on Two Lowest Tenders

The following is a more detailed report on the two lowest tenders received for both alternatives. In this Tender, the two lowest tenders received for both alternatives were submitted by the same bidders.

.1 Coco Paving Inc.

The tender price submitted by Coco Paving Inc. for Alternative No.1 of \$510,125.30 is the lowest of the eight (8) tenders received and ~\$4,644 (0.9%) lower than the second lowest tender submitted by D'Amore Construction (2000) Ltd. and ~\$129,000 (25.3%) lower than the \$639,138 average for all tenders.

The tender price submitted by Coco Paving Inc. for Alternative No.2 of \$536,959.20 is the lowest of the eight (8) tenders received and ~\$2,943 (0.5%) lower than the second lowest tender submitted by D'Amore Construction (2000) Ltd. and ~\$130,044 (24.2%) lower than the \$667,003 average for all tenders.

There do not appear to be any unbalanced prices in the tender for both alternatives.

Coco Paving Inc. is a well-established local general contractor having completed numerous watermain projects throughout Ontario for which Stantec was the Consulting engineer. Coco Paving Inc. is considered an experienced and qualified watermain contractor and capable of completing the proposed works satisfactorily.



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.2 D'Amore Construction (2000) Ltd.

The tender price submitted by D'Amore Construction (2000) Ltd. for Alternative No.1 of \$514,796.00 is the second lowest of the eight (8) tenders received and ~\$124,340 (19.5%) lower than the \$639,138 average for all tenders.

The tender price submitted by D'Amore Construction (2000) Ltd. for Alternative No.2 of \$539,902.00 is the second lowest of the eight (8) tenders received and ~\$127,100 (19.1%) lower than the \$667,003 average for all tenders.

There do not appear to be any unbalanced prices in the tender for both alternatives.

D'Amore Construction (2000) Ltd. is a well-established local general contractor having completed numerous watermain projects throughout Ontario for which Stantec was the Consulting engineer. D'Amore Construction (2000) Ltd. is considered an experienced and qualified watermain contractor and capable of completing the proposed works satisfactorily.

4.0 DISCUSSION

.1 Tender Response

Based on the number of tenders received, we consider the response to the tender to be excellent.

.2 Overall and Pre-Tender Estimate Comparison

Overall, there is a price difference of approximately \$296,510 (36%) between the highest and lowest tenders for Alternative No.1 and approximately \$293,533 (35%) for Alternative No.2 both of which are considerable acceptable.

The lowest tendered price of \$510,125.30 for Alternative No.1 is approximately \$12,125 (2.4%) above the Engineer's pre-tender opinion of probable cost of \$498,000 and significantly less than the $\pm 10\%$ level of accuracy of what is projected to be the Tenderers bid.

The lowest tendered price of \$536,959.20 for Alternative No.2 is approximately \$3,960 (0.7%) above the Engineer's pre-tender opinion of probable cost of \$533,000 and significantly less than the $\pm 10\%$ level of accuracy of what is projected to be the Tenderers bid.

.3 Impact on Overall Capital Cost

The estimated total capital cost for Alternative No.1 was originally projected in the Engineers Report at approximately \$576,000 for Alternative No. 1 and \$612,000 for Alternative No. 2 including engineering and contingencies but excluding HST.

Based on the low tender prices received for Alternative No.1 and Alternative No.2 plus expenses incurred to date by the Town, the estimated total capital cost projection increases to approximately \$610,000 for Alternative No.1 and \$636,000 for Alternative No. 2. This represents a financial impact of approximately \$34,000 (5.6%) for Alternative No.1 and approximately \$24,000 (3.8%) for Alternative No.2.

However, this impact is predicated on spending the entire amounts allocated to provisionals and contingencies. Without provisionals and contingencies, the total estimated capital cost reduces to approximately \$550,300 for Alternative No.1 and \$576,300 for Alternative No.2.



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Note that the above total capital costs are based on preliminary figures and final costs will be established after completion of the watermain project when all quantities have been finalized and all associated costs totaled including the addition of applicable HST costs which have not been included in any of the above figures.

.4 Cost Assessment and Oversizing

In May of 2017, Council was presented with the merits of oversizing the proposed 250mm watermain to 300mm diameter per the Engineer's report. In accordance with Council resolution's C388-2017 and C220-2017, the project was designed and tendered with both 250mm dia. and 300mm dia. watermain alternatives and the tender prices would be used to establish a cost sharing ratio between M&M Farms Ltd. and the Town of Kingsville. This arrangement would also provide the Town with the opportunity to review costs prior to making a final decision on whether to proceed with any oversizing.

In accordance with By-Law 34-2017 and the agreement between M&M Farms Ltd. and The Town of Kingsville; upon completion of construction, the Town is to total all costs to carry out the project and assess 100% of these costs to M&M Farms Ltd for reimbursement should the Town not proceed with oversizing under Alternative No.1.

Should the Town decide to proceed with oversizing under Alternative No. 2, then based on the difference between the low tenders received for Alternate No.1 and Alternate No.2, the construction component of the oversizing cost amounts to \$26,833.90 and originally estimated at approximately \$36,000.

Based on the ratio between the low tenders received for Alternative's No.1 and No.2, the cost sharing ratio would be established at 5% for the Town of Kingsville and 95% for M&M Farms Ltd.

Based on the revised total estimated capital cost of approximately \$636,000 for Alternative No.2, M&M Farms Ltd. would be assessed at 95% (approx. \$604,200) and the Town of Kingsville at 5% (approx. \$31,800) of the final total capital cost.

Please note that the above cost share amounts are based on preliminary figures and the final amount to be assessed will be established after completion of the watermain project when all quantities have been finalized and all associated costs totaled including the addition of applicable HST costs which have not been included in any of the above figures.

5.0 APPROVALS

Prior to advertising for tenders, draft tender issue contract documents were forwarded to the County of Essex for comments and approval. County of Essex approval was received by email on September 19, 2017.

Approval from the Ministry of Environment & Climate Change is not required for this project. However, a Form 1 – "Record of Watermain Authorized as a Future Alteration" has been completed and provided to the Town for their records.

We are not aware of any other regulatory approvals that are required to proceed with the construction of the subject works.



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6.0 RECOMMENDATIONS

On the basis of the tenders received and the foregoing report, we recommend the Town of Kingsville award Contract No. MS17-202 for either Alternative No. 1 or Alternative No. 2 to Coco Paving Inc. for the total tender price of \$510,125.30 for Alternative No.1 or \$536,959.20 for Alternative No.2 respectively excluding HST with a completion date of May 4, 2018.

It is also our recommendation that based on the tender prices received, that Alternative No. 2 be the selected alternative. The additional cost to oversizing the proposed watermain is considered to be very low and it would be very advantageous for the Town to obtain the enhanced benefits offered by the larger watermain at such an economical price for in order to achieve these benefits at a later time would require additional watermain infrastructure at significantly much greater costs.

I trust the foregoing meets your present requirements and should you have any questions or require further information, please contact me directly.

Respectfully yours,

STANTEC CONSULTING LTD.

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Attachment: Overview of Schedules of Prices