

COMMUNICATION 131083

Received From: Dave Young, Director of Public Works
Addressed To: Council
Date: June 30, 2020
Topic: Bridge Street Pumping Station Tender PW3-2020

SUMMARY

Tenders were received for the Bridge Street Pumping Station and Forcemain Upgrades until June 9th, 2020 at 2:00pm. The following bids were received at tender closing:

RANK	CONTRACTOR	BID PRICE (HST INCLUDED)	BID PRICE (INCL. TOWN'S SHARE OF HST)
1	JC Sulpher Construction	\$1,169,337.56	\$1,053,024.69
2	Black and McDonald	\$1,270,576.59	\$1,144,193.57
3	Thomas Fuller Construction Co.	\$1,319,035.00	\$1,342,250.01
4	Laurin General Contractors	\$1,374,106.00	\$1,398,290.26

JL Richards has completed a comprehensive review of submissions and recommends proceeding with awarding the contract to the low bidder JC Sulpher Construction.

The Town has not had any dealings with JC Sulpher in the past so staff did follow up with the contractor to provide examples of similar projects and references. All information provided supports the fact that this firm is highly competent and has more than sufficient capacity to undertake this project.

BACKGROUND

The Bridge St. Pumping Station was initially tendered in 2019 and the submissions at that time significantly exceeded the amount of funds that had been budgeted. Staff sought reasons for the cost difference which included the following:

- The tender completion date was very aggressive with substantial completion required within 7 months;
- Even though there was minimal underground works required for this project, the cost for this component created the largest financial deviation from budget forecast. From communications with contractors, it was confirmed that local capacity for sewer and water crews was non-existent.

Also, staff have confirmed that there had not been adequate allowance for inflation relating to Capital forecasting and that construction in this field has been experiencing much larger increases than general CPI. This issue was addressed in the 2020 Water and Sewer budget by increasing the budget amount for this project and taking this information into account for long term planning of Capital Projects.

After reviewing the scope of the work and finding very little in terms of potential cost savings for this project, it was determined that the best approach would be to provide a longer timeframe for the completion of the work. The tender was modified to extend the duration of the project to an 18-month allowance for completion.

Although there are still issues relating to contractor capacity, it now would seem apparent that the tender prices received are reflective of the value of this project.

FINANCIAL IMPLICATIONS

The budgeted amount for this project is \$900,000.00, leaving a shortfall of \$153,024.69. There are also contract administration and inspection costs that are anticipated to be \$110,000.00 which are not included in the above tender prices. Staff feels that all efforts to find cost efficiencies have been exhausted and this project needs to move forward regardless. In consultation with the Town's Treasurer, staff recommends that the budget deviation of \$263,024.69 (\$153,024.69 + \$110,000.00) be taken from the Sewer and Water reserve.

STAFF RECOMMENDATION

THAT Council award Contract PW3-2020 for the Bridge St. Pumping Station and Forcemain Upgrades to JC Sulpher Construction Ltd. in the amount of \$1,053,024.69 (includes Town's net share of HST); and

THAT Council authorize staff to proceed with utilizing funds from the Sewer and Water Reserve to fund the budget deviation of \$263,024.69 for the construction cost and construction administration services.