



Report Purchasing Services

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Report To:	PS Reports - CAO Approve Only
Report Number:	Purchasing Services-013-21
Report Date:	August 31, 2021
Submitted By:	David Ferguson, Purchasing Manager
Reviewed By:	Andrew C. Allison, CAO
File Number:	CL2021-19
Report Subject:	Lake Road Extension Summer Recess Procedure (Purchasing By-Law 2015-022 S.73)

Recommendations:

It is respectfully recommended to the Chief Administrative Officer the following:

1. That Montgomery MacEwen Contracting Limited with a bid amount of \$1,028,089.93 (Blended HST Rate) being the lowest bidder meeting all terms, conditions and specifications of tender CL2021-19 be awarded the contract for the Lake Road Extension as required by the Public Works Department;
2. That the total project funds required for this project in the amount of \$1,459,700.00 (Blended HST Rate) includes the construction cost of \$1,028,089.93 (Blended HST Rate) and other costs such as design, contract administration, inspection, material testing, utility relocation, contingency and blended HST costs in the amount of \$431,610.07 (Blended HST Rate) is in the approved budget allocation as provided and will be funded from the following account:

Description	Account Number	Amount
Lake Road Extension (Net HST)	110-32-330-83422-7401	\$768,700.00
Lake Road Extension – Roads Contribution Reserve Fund (Net HST)	110-32-330-83422-7403	148,000.00
Lake Road Extension – Developer Recovery (Full HST)	110-32-330-83422-7403	543,000.00

3. That the final execution of the contract award and issuance of a purchase order will be contingent on the Municipality receiving the applicable developer recovery cost share funding up front from Mettrum (through the Road Transfer Agreement – dated October 3, 2017) and developer recovery funding from Schleiss Development Co. Ltd. for the works under the Oceanfront Development Limited - South Bowmanville Industrial Park - 18T-87056 – subdivision.

1. Background

- 1.1 This project is for the completion of the extension of Lake Road from the current terminus approximately 400m east of Lambs Road to Bennett Road. The scope also includes the paving of surface asphalt and granular shouldering on Lake Road from Lambs Road to the current terminus 400m east of Lambs Road.
- 1.2 Tender specifications were prepared and provided by the Public Works Department and D.G. Biddle and Associates Ltd.
- 1.3 Tender CL2021-19 was prepared and issued by the Purchasing Services Division. The tender was posted electronically on the Municipality's website and notification of the availability of the document was also posted on the Ontario Public Buyers Association's website.
- 1.4 In view of the Summer Council Recess, authorization is requested to award the above contract in accordance with Purchasing By-Law #2015-022, Part 2 Section 73, Council Recess Procedures.

2. Analysis

- 2.1 The tender closed on July 21, 2021.
- 2.2 Thirty companies downloaded the tender document. Seven submissions were received by the stipulated closing time.
- 2.3 The seven submissions received were reviewed and it was determined that one submission was non-complaint as not all line item pricing on the Tender Form were completed. The other six submissions were deemed to be compliant, and their bids were tabulated by the Purchasing Services Division (see Attachment 1).
- 2.4 The bid results were forwarded to the Public Works for their review and consideration.
- 2.5 After review, analysis, and discussions it was mutually agreed by the Public Works Department and the Purchasing Services Division that the low bidder Montgomery MacEwen Contracting Limited be recommended for the award of tender CL2021-19.
- 2.6 Montgomery MacEwen Contracting Limited has successfully worked with the Municipality in the past but on a smaller contract. Reference checks were completed and were deemed satisfactory.

2.7 The Municipality contacted the twenty-three companies who downloaded the tender documents but did not respond to inquire as to why they chose not to submit a bid. Their responses are as follows:

- One company was an association for distributing the tender document to its members;
- Three company advised that after reviewing the document they were not able to take on the project due to their current workload;
- Six companies advised that they downloaded the document with the interest of being a sub-contractor for the project; and
- 13 companies contacted did not respond to the Municipality's request for information.

3. Financial

3.1 The total funds required for this project in the amount of \$1,459,700.00 (Blended HST Rate) includes the construction cost of \$1,028,089.93 (Blended HST Rate) and other costs such as design, contract administration, inspection, material testing, utility relocation, contingency and blended HST costs in the amount of \$431,610.07 (Blended HST Rate) is in the approved budget allocation as provided and will be funded from the following account:

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3.2 Final execution of the contract award and issuance of a purchase order will be contingent on the Municipality receiving the applicable developer recovery cost share funding up front from Mettrum (through the Road Transfer Agreement – dated October 3, 2017) and developer recovery funding from Schleiss Development Co. Ltd. for the works under the Oceanfront Development Limited - South Bowmanville Industrial Park - 18T-87056 – subdivision.

4. Concurrence

This report has been reviewed by the Director of Public Works and the Director of Financial Services/Treasurer who concur with the recommendations.

5. Conclusion

It is respectfully recommended that Montgomery MacEwen Contracting Limited being the lowest compliant bid be awarded the contract for the extension of Lake Road in accordance with all the terms, conditions, and specifications of tender CL2021-19.

Staff Contact: David Ferguson, Purchasing Manager, 905-623-3379 ext. 2209 or dferguson@clarington.net.

Attachments:

Attachment 1 – Bid Summary

Attachment 1 – Bid Summary

Municipality of Clarington

CL2021-19

Lake Road Extension

BIDDER	Total Bid (Including HST)	TOTAL BID (Blended HST Rate)
Montgomery MacEwen Contracting	\$1,093,970.26	\$1,028,089.93
Coco Paving Inc.	\$1,194,760.87	\$1,122,589.03
Dufferin Construction Co.	\$1,341,061.40	\$1,260,591.09
Blackstone Paving & Construction Ltd.	\$1,363,619.03	\$1,281,038.53
Ashland Construction Group Ltd.	\$1,539,917.67	\$1,442,322.26
J. Hoover Ltd.	\$1,701,158.78	\$1,600,463.08
Dig-Con International Ltd.	Non-Compliant	

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To: David Ferguson, Purchasing Manager
From: Robert Brezina, Capital Works Engineer
Date: July 28, 2021
Subject: CL2021-19 – Lake Road Extension
File: CRC.Lake Rd3.1

The Public Works Department has reviewed the submissions for CL2021-19 and offers the following comments.

Road	Limits	Description
Lake Road Extension	From the existing Lake Road terminus located approx. 400m west of Bennett Road to Bennett Road	Construction of a new rural road section connecting Lake Road to Bennett Road including streetlighting, watermain and sanitary sewer adjustments, intersection improvements, utility relocations

This project is to funded in part by developer recovery funding

The low bidder on this contract was Montgomery MacEwen Contracting Limited. The Purchasing Department is presently conducting reference checks and no concerns are expected. However, should concerns arise during this review process, Public Works will revisit its recommendation for contract award. Barring any concerns, we recommend award of the contract to Montgomery MacEwen Contracting Limited in the amount of \$1,093,970.26 inclusive of HST, or \$1,028,089.93 with blended HST rebate.

A total contingency amount of approximately 13.5% of construction costs is required for this project, based on past experience. The tender includes provisional items that equal approximately 3.5% of the construction cost, so 10.0% of construction costs have been

carried to bring the contingency to the required 13.5%. Therefore, including other costs such as design, contract administration, inspection, material testing, utility relocation, contingency and blended HST costs, the Public Works Department advises of the following funding:

Construction (blended HST) (Based on Low Bid)	\$1,028,089.93
Other costs (blended HST)	\$431,610.07
Total Project Value	\$1,459,700.00
Budget Amount:	
<ul style="list-style-type: none"> • Lake Road Extension 110-32-330-83422-7401 (Net HST) • Lake Road Extension – Roads Contribution Reserve Fund 110-32-330-83422-7401 (Net HST) • Lake Road Extension – Developer Recovery 110-32-330-83422-7403 (Full HST) 	<p style="text-align: right;">\$768,700.00</p> <p style="text-align: right;">\$148,000.00</p> <p style="text-align: right;">\$543,000.00</p>
Total	\$1,459,700.00

Considering all project costs, there is sufficient funding available. The Public Works Department recommends that the Purchasing Department move forward with award of the contract based on the above apportionments.

Final execution of the contract award and issuance of the PO will be contingent on the Municipality receiving the applicable developer recovery cost share funding up front from Mettrum (through the Road Transfer Agreement – dated October 3, 2017) and developer recovery funding from Schleiss Development Co. Ltd. for the works under the Oceanfront Development Limited - South Bowmanville Industrial Park - 18T-87056 - subdivision.

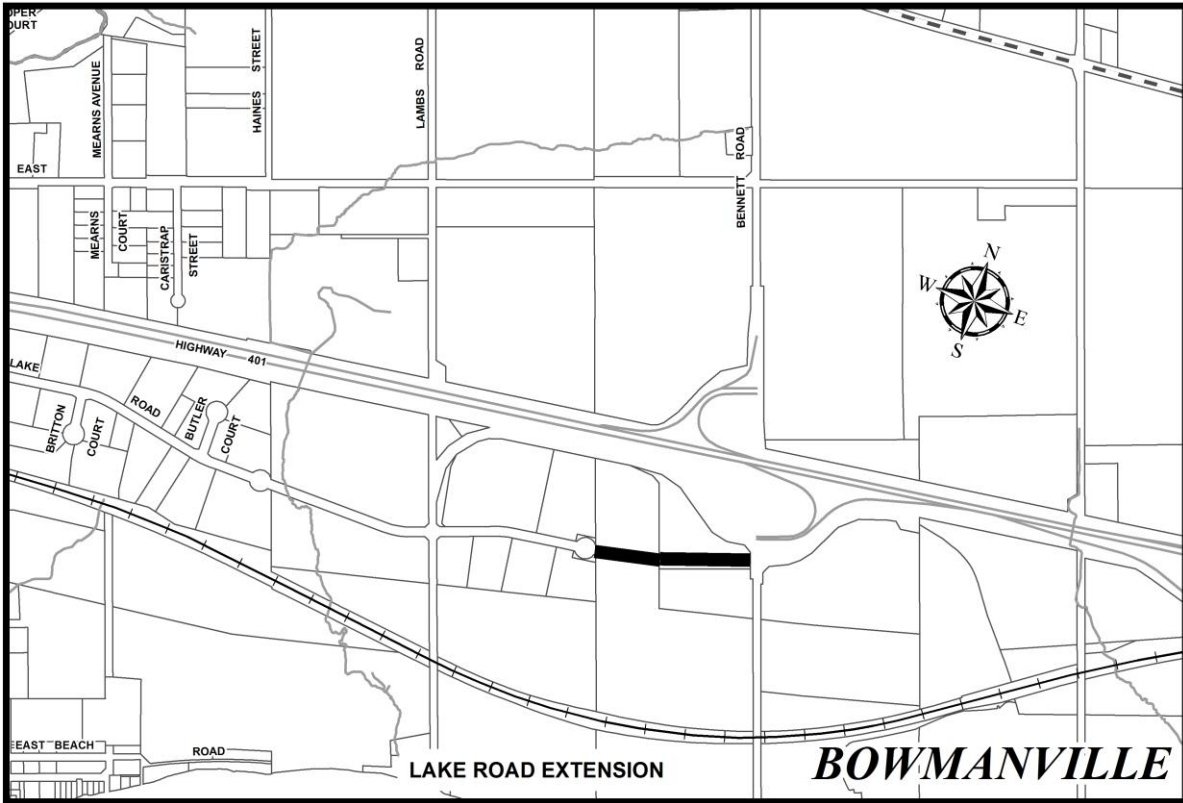
Should you have any further questions, please feel free to contact the undersigned.

Regards,

Robert Brezina
Capital Works Engineer

RB

Cc: Trevor Pinn, Director of Finance
Stephen Brake, Director of Public Works
Kevin Heathcote, Capital Works Supervisor



KEY MAP
N.T.S.