

Report to Council

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| Report Title: | Tender Results for the Rehabilitation of Concession 14E | | |
| Prepared By: | Gregg Furtney, Director of Operations and Trish Serratore, Chief Financial Officer | | |
| Department: | Public Works | | |
| Date: | June 21, 2022 | | |
| Report Number: | PW2022-15 | File Number: | C11PW, F18CO |
| Attachments: | BM Ross Tender Review Letter Concession 14E | | |

Recommendation:

That the Council of the Municipality of Brockton hereby receives Report Number PW2022-15 - Tender Results for the Rehabilitation of Concession 14E, prepared by Gregg Furtney, Director of Operations and Trish Serratore, Chief Financial Officer, and in doing so approves Option #: _____.

Report:

Background:

Concession 14E, a 2km stretch of road between Bruce County Road 19 and Side Road 20 North, has been an item of discussion and concern of local residents for a number of years.

At the Special Council Meeting on January 26th, 2022, Council requested that a report come forward regarding long-term planning for the full reconstruction of Concession 14E to ensure a commitment from future Councils.

At the Regular Council Meeting on February 15, 2022, Council received Report Number PW2022-03 that outlined the probable costs for the reconstruction of Concession 14E. Based on the Engineer's estimates, the entire project, including paving, was \$940,975 plus tax. As reported, the estimated cost of doing the rehabilitation work, without the paving, was \$695,000 plus tax. This project was included in the 2022 Capital budget and funded through long-term debt. Total budgeted amount is \$700,000

BM Ross and Associates completed the Request for Tender (RFT) for the rehabilitation of Concession 14E that closed on Tuesday June 7, 2022. There were only two (2) tender submissions.

Analysis:

The following two (2) submissions were received for the Request for Tender (RFT) that was issued by BM Ross and Associates.

| Tenderer | Tendered Amount (excluding HST) \$ |
|-----------------------------|------------------------------------|
| E.C. King Contracting | \$2,336,773.00 |
| Roubos Farm Service Limited | \$1,644,163.50 |

Both of these tender submissions included a \$10,000 contingency.

These two (2) submissions are high because of the increase in fuel costs, trucking costs associated with the removal of the old road base and hauling in new material, and increased gravel costs.

The lowest tender is \$944,163.50 over the budgeted amount. Although this projected was to be funded by long-term debt, it is not advisable to proceed with this project and fund the \$1,644,163.50 from debt. With increases amongst all capital projects, increases in interest rates and long-term financial impact with the increase debt capacity we have to continue to consider the future effects on the budget. Brockton currently has the following 2022 projects funded by long-term debt:

| Project | Budget |
|--------------------------------|---------------------|
| Trunk main replacement | \$2,250,000 |
| Yonge Street Rehabilitation | \$2,717,010 |
| Russel, Dale, Zettler Drain | \$273,000 |
| DS Weis Bridge (carry forward) | \$80,000 |
| Riversdale Bridge | \$2,250,000 |
| ERBP | \$5,941,300 |
| Soccer Change Room/Concession | \$240,000 |
| Total | \$13,751,310 |

The following options are available for Council’s consideration:

1. Option 1: Proceed with the project.
2. Option 2: Cancel the tender and postpone the project to another year.

Strategic Action Plan Checklist:

What aspect of the Brockton Strategic Action Plan does the content/recommendations in this report help advance?

- Recommendations help move the Municipality closer to its Vision N/A
- Recommendations contribute to achieving Heritage, Culture, and Community N/A
- Recommendations contribute to achieving Quality of Life N/A
- Recommendations contribute to achieving Land Use Planning and the Natural Environment N/A
- Recommendations contribute to achieving Economic Development N/A
- Recommendations contribute to achieving Municipal Governance N/A

Financial Impacts/Source of Funding:

- Do the recommendations represent a sound financial investment from a sustainability perspective?
N/A

The project would be funded through Long Term Debt mechanisms, however the increase in long-term borrowing will have an impact on future operating costs. The lowest tender submission is \$949,163.50 (excluding tax) over the approved project budget.

Respectfully Submitted by:



Gregg Furtney, Director of Operations



Trish Serratore, Chief Financial Officer

Reviewed By:



Sonya Watson, Chief Administrative Officer