



May 3, 2021  
Our File: 219170

Via Email: [gfurtney@brockton.ca](mailto:gfurtney@brockton.ca)

Municipality of Brockton  
100 Scott Street, Box 68  
Walkerton, ON N0G 2V0

Attention: Mr. Gregory Furtney

Re: Tender Analysis – 219170-A  
Chepstow Culvert Replacement  
Greenock Structure No. 0013

Dear Mr. Furtney,

We have reviewed the four (4) tender bids that were submitted on the online bidding system website for the Chepstow Culvert Replacement project associated with Contract No. 219170-A, which closed at 2:00pm on April 30, 2021. The tender results were as follows (excluding HST):

McLean Taylor Construction Limited	\$ 1,847,779.05
National Structures Inc.	\$ 1,871,649.42
HugoMB Contracting Inc.	\$ 2,396,300.00
Kurtis Smith Excavating Inc.	\$ 2,589,000.00

Based on our review of the tender submissions, the lowest bid has been submitted by McLean Taylor Construction Limited.

This project is currently receiving partial funding through the Investing in Canada Infrastructure Program – Rural and Northern Funding Stream. In April 2020, the Municipality was notified that they were approved for a project budget of \$1,604,250, which required the Municipality to cover 16.67% (\$267,428.47). It is our understanding that \$1.3M to \$1.4M of the project budget was allocated towards the construction of the new structure. Initially, it was believed that this budget would be appropriate for the scope of work considered for the project. However, prior to tendering the project, a Geotechnical Investigation was finalized in February 2021 which identified that the backfill material around the existing structure was loose and saturated making it unsuitable for deep open excavation. A Work Site Isolation item was introduced into the Contract to allow the Contractor to install temporary steel sheet piling around each proposed foundation and abutment wall. In addition, the founding soils below the proposed footings had a considerably lower bearing capacity than initially expected, which required larger spread footings to be constructed at a deeper depth. The Municipality was notified that these changes could cause the construction costs to increase to \$1.7M to \$1.8M.

In addition, we cannot ignore the effect that COVID-19 has had on the construction industry, specifically the cost of materials. As our original cost estimate (2019) was completed prior to the pandemic, we were unable to foresee the higher than typical construction costs that Southwestern Ontario is currently experiencing.

GMBP has discussed the possibility of delaying the project until 2022 with McLean Taylor to determine if there was any cost savings for allowing the Contractor additional time to prepare for the project. Due to the uncertainties with material pricing due to COVID-19, McLean Taylor notified us that there would be a possibility of the opposite effect (i.e. increased construction costs) if the project was delayed.

Prior to tendering, GMBP and the Municipality discussed the possibility of retendering the project in the Fall/Winter 2021 (for 2022 construction) if limited and/or unfavorable tender results were received. Given that two out of four bids received for this tender were within 10% of the updated budget provided by GMBP, it is our opinion that retendering the project may not provide lower tender results.

Regardless, it is our opinion that the bid total submitted by McLean Taylor reflects a reasonable budget for the current scope of work for the project. Therefore, we recommend the Tender be awarded to McLean Taylor (pending the results of the Municipality's review of the submitted bid package and available budget for 2021). It is our hope that GMBP and McLean Taylor can discuss and implement cost saving solutions for the project during construction. We have already tried to begin this conversation with the Contractor, but they have indicated any ideas they have will not be discussed until after the project has been formally awarded.

Considering that this project is being partially funded by the Federal and Provincial Government, we recommend that the Municipality determine if any additional funding is available for the project.

It should be noted that construction is scheduled to begin on Monday, June 7, 2021. It is our understanding that the Municipality will be discussing the tender results for the Chepstow Culvert Replacement at the next council meeting on Tuesday, May 11, 2021. To provide McLean Taylor with adequate time to prepare for construction, we recommend that a decision regarding the project be completed and the Contractor be notified by Friday, May 14, 2021.

Please do not hesitate to contact our office if you have any questions or require further assistance.

Yours truly,

**GM BLUEPLAN ENGINEERING LIMITED**

Per:

A handwritten signature in blue ink, appearing to read 'Jesse Borges'.

Jesse Borges, P.Eng.  
JB/mr

cc: Municipality: John Strader, via Email – [jstrader@brockton.ca](mailto:jstrader@brockton.ca)  
GMBP: Brent Willis, P.Eng., via Email – [brent.willis@gmblueplan.ca](mailto:brent.willis@gmblueplan.ca)  
File No. 219170