

This document can be made available in other accessible formats as soon as practicable and upon request



# Staff Report

## Infrastructure & Public Works

---

**Report To:** Council  
**Meeting Date:** June 19, 2017  
**Report Number:** CSPW.17.075  
**Subject:** Award of Black Bridge Rehabilitation Tender 2017-02-T-IPW  
**Prepared by:** Jim McCannell, Manager of Roads & Drainage

---

### A. Recommendations

---

THAT Council receive Staff Report CSPW.17.075 and award Tender 2017-02-T-IPW to Jarlian Construction in the amount of \$612,235 exclusive of HST, being a responsive and responsible bidder.

### B. Overview

---

Staff is recommending award of 2017-02-T-IPW to the second low bidder, after determining that the low bidder is not qualified to complete the works.

### C. Background

---

Staff issued tender 2017-02-T-IPW for the rehabilitation of the Black Bridge. The tender closed on Thursday June 8 and a total of 5 submissions were received.

A review of the bid submissions has been conducted by CC Tatham & Associates (CCTA) (Attachment #1). Upon Review CCTA has concluded that Pine Valley Construction did not furnish satisfactory evidence that they have the requisite ability and experience in the class of work that is being contemplated. In the Report on Tenders, CCTA recommends awarding the work to the second lowest contractor being Jarlian Construction in the amount of \$612,235 (including \$60,000 for contingency) exclusive HST.

### D. Analysis

---

In accordance with Section 21 of the Purchasing Policy,

Despite any other provisions of this policy, the following procurements, over \$24,999, excluding taxes, are subject to prior Council approval:

- 21.3 Any contract where the award is not being recommended to the lowest bidder, with the exception of Request for Proposals.

The Town's Engineer, C. C. Tatham & Associates Ltd. has reviewed the submissions and contacted the submitted references. Of the references that responded CCTA concluded that that all experience references provided were for new concrete works of lesser value and generally completed landscaping works such as concrete walls and ramps, concrete retaining walls and concrete abutments for a pedestrian bridge. Pine Valley Construction has not demonstrated they have experience rehabilitating heritage structures such as the Black Bridge.

The Tender document states:

- Tenders that contain prices which appear to be so unbalanced as likely to adversely affect the interests of the Town may be rejected by the Town, as the Town may determine within its sole discretion.
- The Town reserves the right to reject any or all Tenders and the lowest-priced Tender will not necessarily be accepted

The low bidder has been contacted and advised of the Town's decision.

CCTA has evaluated the tender submission from Jarlian Construction and is recommending this award.

## **E. The Blue Mountains Strategic Plan**

---

Goal #5: Ensure Our Infrastructure is Sustainable

## **F. Environmental Impacts**

---

None

## **G. Financial Impact**

---

The 2017 capital budget had \$752,300 for the construction work on Black Bridge. The qualified and lowest bidder has come in under that amount. This project has a funding split between Gas Tax and the OCIF grant; with this tender coming in under budget the remaining grant funding can be reallocated to the Elma and Alice Street Reconstruction which will reduce the amount of debt required.

## **H. In consultation with**

---

Sam Dinsmore, Deputy Treasurer/ Manager of Accounting and Budgets.

## **I. Attached**

---

Tender Award Review, CCTA dated June 14, 2017

Respectfully submitted,

---

Jim McCannell  
Manager of Roads & Drainage

---

Reg Russwurm, MBA, P.Eng  
Director of Infrastructure and Public Works

For more information, please contact:  
Jim McCannell  
[jmccannell@thebluemountains.ca](mailto:jmccannell@thebluemountains.ca)  
519-599-3131 extension 271



**C.C. Tatham & Associates Ltd.**  
Consulting Engineers

Collingwood   Bracebridge   Orillia   Barrie   Ottawa

CSPW.17.075  
Attachment #1

115 Sandford Fleming Drive, Suite 200  
Collingwood, Ontario L9Y 5A6  
Tel: (705) 444-2565  
Fax: (705) 444-2327  
Email: info@cctatham.com  
Web: www.cctatham.com

June 14, 2017

via e-mail (jmccannell@thebluemountains.ca)  
CCTA File 115234-1

**Mr. Jim McCannell**  
Manager of Roads and Drainage  
The Town of the Blue Mountains  
32 Mill Street, Box 310  
Thornbury, ON N0H 2P0

**Re: Black Bridge Rehabilitation  
Report on Tenders**

Dear Mr. McCannell:

We are pleased to submit our Report on Tenders. Tenders were received from five contractors. Pine Valley Corporation submitted the lowest compliant tender price of \$494,910.00, excluding HST.

On the basis of our review of the tenders, and the lack of demonstrated ability of the low tenderer to complete the work, we recommend that the Town award the Contract to the second low tenderer, Jarlian Construction Inc. for the tender price of \$612,235.00, excluding HST.

We trust the above is satisfactory. Please call if you have any questions or require additional information.

Yours truly,  
C.C. Tatham & Associates Ltd.



Emma Wilkinson, H.B.A, B.E.Sc., P.Eng.  
Senior Engineer, Project Manager  
EKW:df  
Encl.

I:\2015 Projects\115234 - Black Bridge Rehabilitation TOBMDocuments\Tenders\Bids Received\Tender Report Cover Letter.docx

**THE TOWN OF THE BLUE MOUNTAINS  
BLACK BRIDGE REHABILITATION  
CONTRACT No. 2017-02-T-IPW**

**REPORT ON TENDERS**

**1. General**

The Tenders for Contract No. 2017-02-T-IPW were received at The Town of The Blue Mountains offices until 2:00 pm on Thursday, June 8, 2017.

Questions from contractors during the tender period were received and responded to by the Town. No addenda were issued during the tender period.

A total of 18 sets of tender documents were acquired by contractors and suppliers during the tendering period. Five tenders were received by the Town and were opened shortly after 2:00 p.m. on the date of tender closing.

Copies of the tender forms were forwarded to CCTA for review and comment. The extensions and additions have been checked in each tender. The verified tender prices in ascending order, excluding HST and contingency allowance are as follows:

▪ Pine Valley Corporation (Pine Valley)	\$494,910.00
▪ Jarlian Construction Inc. (Jarlian)	\$612,235.00
▪ Alexman Contracting Inc. (Alexman)	\$617,025.00
▪ Clearwater Structures Inc. (Clearwater)	\$626,465.00
▪ Huinink Corporation (Huinink)	\$687,132.50

A minor mathematical error was found in the tender price submitted by Jarlian. However, the order of the tender rankings did not change. CCTA's estimate for the tender was \$600,450.00 excluding HST and contingency allowance. The tenderers were required to submit the following;

- Tender Form
- Completed Schedule of Items and Prices
- Tender Security of \$25,000
- Agreement to Bond
- Bidder's Ability and Experience Form
- List of Subcontractors
- Addenda

All tenderers completed the tender forms in their entirety and provided the necessary tender security.

**2. Comparison of the Tenders**

The tender price submitted by Pine Valley is approximately 20% lower than CCTA's estimate and the average tender price. CCTA's estimate is based on previous average pricing received for similar works. Comparing the majority of items in the Pine Valley and other tenders we believe they are reasonably well balanced. There are however, a couple items where the unit pricing provided by Pine Valley is significantly lower than the average and the 2<sup>nd</sup> low tenderer. These items are the Access to

Work, and Concrete Patching. It is possible that they have misjudged the effort required to complete these items in accordance with the Contract.

The unit price provided by Jarlian for concrete patching is higher than average and this is a unit price item which could require additional units once construction and concrete removal commences. However, this item is based on areas identified and delineated by the Detailed Deck Condition Survey completed in 2015, so the extent of additional patching is not expected to exceed contingency values even with this higher unit rate.

### 3. References

We contacted the references provided by the low bidder, but were only able to connect with one out of three. They had the following comments:

- Project referenced was much smaller scale and involved new concrete construction of a retaining wall rather than any rehabilitation work or bridge work;
- Pine Valley were reasonable to work with;
- Quality of work was reasonable;
- There were some claims on the job that were valid and others that were not; and
- Pine Valley had some issues scheduling their sub-contractor which led to project delays.

In reference to Section 19 of the Information to Bidders, it is noted that Pine Valley did not furnish satisfactory evidence that they have the requisite ability and experience (with references) in the class of work contemplated. All experience references provided were for new concrete works of lesser value and generally completed for landscaping works, such as: concrete walls and ramps, concrete retaining walls, and concrete abutments for a pedestrian bridge. In addition, they did not state their legal status and corporate structure as requested by the Bidder's Ability Form, however, it is noted that they are a corporation.

In addition, we contacted two of the references provided by the second low bidder, Jarlian. They had the following comments:

- Both projects were concrete bridge rehabilitation projects, one of which was a heritage concrete arch very similar to the Black Bridge;
- Quality of work was good;
- One project was completed ahead of schedule and the other was extended due to additional work being added;
- Jarlian was reasonable to work with;
- Eager to perform and responsive when given direction; and
- One reference recommended full time construction inspection to facilitate a smoother contract but indicated they were capable of completing work unsupervised.

### 4. Approvals

We understand the Town has applied for any required permits/approvals and that there are no current outstanding approvals.

## 5. Schedule

The tender document stipulated the contract shall commence no sooner than June 19, 2017 and shall be Substantially Performed by the earlier of: 50 working days following the start of construction or October 13, 2017.

The tender document stipulates liquidated damages in the amount of \$500 per day should the prescribed date of Substantial Performance not be met.

## 6. Construction Staging

A full road closure and detour are required for this project. The Contractor is responsible for traffic control and detour signage for control of traffic for the duration of the project.

## 7. Budget

We understand the Town has a project budget of \$842,300 including engineering, contract administration, and construction review. The Tender pricing received includes a contingency allowance of \$60,000 to deal with the unknown conditions that may be encountered during construction.

As such, we understand that the project can be constructed within the available budget by either the low or second low tender price received.

However, it is noted that should the work be awarded to the low bidder with insufficient experience, it is recommended that the Town be prepared to budget additional time and expense for full time construction inspection and increased contract administration efforts to mitigate the risk of damage to the heritage structure being repaired.

## 8. Recommendations

In accordance with Sections 19, and 21 of the Instructions to Bidders, the low bidder, Pine Valley, has not shown evidence of their ability and experience in concrete bridge rehabilitation (class of work contemplated), and as such the Town has the right to reject the lowest-priced Tender.

On the basis of our review, we are of the opinion that the second lowest priced Tenderer is the most favourable to the interest of the Town based on their ability and past experience. As such we recommend the Town award the Contract to the second lowest priced Tenderer, Jarlian Construction Inc.

Upon receipt of your approval of this recommendation, it is our understanding the Town will issue written notification that the Tender has been accepted following which the Contract Documents will be sent to the successful Tenderer for signing. It is our recommendation that a pre-construction meeting be scheduled as soon as possible after receipt of signed documents to maintain the project schedule.

We trust this Report on Tenders meets your requirements. Should you require any further information or clarification, please do not hesitate to call.

Respectfully submitted,  
**C.C. TATHAM & ASSOCIATES LTD**



Emma Wilkinson, H.B.A, B.E.Sc., P.Eng.  
Senior Engineer, Project Manager  
EKW:df

File No. 115234-1  
June 14, 2017