

Municipality of Chatham-Kent
Infrastructure and Engineering Services
Engineering Division

To: Mayor and Members of Council

From: Brendan Falkner, P.Eng.
Manager, Engineering

Date: April 21, 2023

Subject: Tender Award – Contract T23-191 – Dufferin Avenue Road Rehabilitation

Recommendations

It is recommended that:

1. The tender in the amount of \$8,747,892.86 (including HST) for the Dufferin Avenue Road Rehabilitation be awarded to Birnam Excavating Ltd.
2. The Mayor and Clerk be authorized to sign the necessary agreement.

Background

The Ministry of Transportation's Connecting Links Program assists municipalities with repairing designated municipal roadways and bridges that connect two ends of a provincial highway through a community or to a border crossing. There are 77 Ontario municipalities eligible to apply for funding. The maximum amount of funding available is up to 90% of eligible project costs or \$3 million per road project (whichever is lower) and up to \$5 million for bridge projects. The applicant is required to contribute the remaining 10% of eligible project costs and pay for all ineligible project costs.

Based on the condition of Chatham-Kent's connecting links, it was determined that the rehabilitation of the pavement on Dufferin Avenue between McNaughton Avenue to 100 m west of Walnut Street, in the Community of Wallaceburg was best suited for submission under the 2022-23 MTO Connecting Links Program. This project was submitted previously in the 2017-18 and the 2021-22 Connecting Links applications, however, was not successful on both occasions.

On April 20, 2022, the Ministry of Transportation sent a letter stating that Chatham-Kent was successful in our application and that the Province will be contributing \$3 million towards the project.

On July 11, 2022, Council awarded R22-256 for the Dufferin Avenue Rehabilitation Consulting Engineering Services to Dillon Consulting in the amount of \$717,599.72 (including HST).

Comments

This project consists of the rehabilitation of Dufferin Avenue from McNaughton Avenue to the west limits of Wallaceburg (75 m west of Walnut Drive), including:

- Replacement of watermain, including water services and fire hydrants, from Arnold Street to west limits and watermain improvements at the intersection of Dufferin Avenue and McNaughton Avenue
- Installation of new storm sewer from Dauw Avenue to Arnold Street for future storm expansion on Arnold Street
- Full replacement of curb from Arnold Street to west limits and partial curb replacement of curb from Arnold Street to McNaughton Avenue
- Rehabilitation of catch basins and maintenance holes
- New sidewalk on north side of Dufferin Avenue from Bruinsma Avenue to west limits, and partial replacement of sidewalk throughout the site based on condition
- Traffic signal and intersection improvements
- Pavement rehabilitation using cold-in-place recycling
- Boulevard grading and restoration in all areas affected by construction

Construction is planned to begin in June 2023 and be completed by November 2023, with restoration works completed in Spring 2024. Two lanes of traffic on Dufferin Avenue and access to all properties and business will be maintained at all times throughout construction.

In accordance with Purchasing By-law #166-2020, the purchasing tender was advertised on the Municipal Website on April 4, 2023 and closed on April 21, 2023. A total of eighteen potential bidding contractors (including contractors, sub-contractors, and suppliers) obtained a copy of the contract document from the Chatham-Kent Bids & Tenders website and four tender bids were submitted. The bid results and ranking are outlined in Table 1.

Table 1: Bid Results for T23-191 – Dufferin Avenue Rehabilitation

Rank	Bidder	Location	Bid (including HST)
1	Birnam Excavating Ltd.	Arkona	\$8,747,892.86
2	Clarke Construction Inc.	Blenheim	\$10,509,000.00
3	Van Bree Drainage and Bulldozing	Warwick Twp.	\$10,565,259.81
4	Henry Heyink Construction Ltd.	Chatham	\$10,679,242.41

Dillion Consulting has reviewed the tenders and found them to be complete in all respects. It is the recommendation herein that the contract be awarded to Birnam Excavating Ltd. who submitted the lowest tender bid.

Areas of Strategic Focus

This report supports the following areas of strategic focus:

			
Economic Prosperity	Healthy & Safe Community	People & Culture	Environmental Sustainability
1.1			

Consultation

The Public Works Division and Public Utilities Commission were consulted during the preparation of this contract. The tenders were received by the Purchasing Division and reviewed by the Engineering and Transportation Division and by Dillon Consulting Limited.

Communication

The tender documents were posted on the Bids & Tenders website for prospective contractors to review. Unsuccessful bidders will be notified by the Purchasing Division through the Bids & Tenders website.

Project details will be communicated to the public through the Let's Talk CK webpage. The directly affected property owners will receive a letter prior to construction informing them of the project, including frequently asked questions and contact information for the Contractor, Consultant, and the Municipality.

Road construction signage will be implemented in accordance with Ontario Traffic Manual Book 7 to inform residents of traffic impacts. Road closure notices will be issued for any roads required to be closed as a result of the work associated with this contract. Access to all properties will be maintained throughout construction.

Diversity, Equity, Inclusion and Justice (DEIJ)

This report does not have implications related to diversity, equity, inclusion, or justice.

Financial Implications**Table 2: Recommended Costs and Funding Summary**

Description	Total
A) Recommended Costs	
Recommended Tender	\$7,741,498.11
Plus 13% HST	\$1,006,394.75
Total Cost (with HST)	\$8,747,892.86
Less 11.24% HST	(\$870,144.39)
Total Recommended Costs	\$7,877,748.47
B) Recommended Funding	
MTO Connecting Link Funding (31.6%)	\$2,490,000.00
Road Lifecycle Reserve (9.4%)	\$737,748.47
Storm Lifecycle Reserve (19.0%)	\$1,500,000.00
Sidewalk Lifecycle Reserve (3.8%)	\$300,000.00
Traffic Signal Lifecycle Reserve (6.4%)	\$500,000.00
Total Municipality of Chatham-Kent Funding	\$5,527,748.47
Watermain Lifecycle Reserve (25.4%)	\$2,000,000.00
Sanitary Sewer Lifecycle Reserve (4.4%)	\$350,000.00
Total PUC Funding	\$2,350,000.00
Total Recommended Funding	\$7,877,748.47
C) Total Project Cost (including HST)	
Consulting Engineering Services – July 11, 2022	\$717,599.72
Construction Tender – Recommended Cost Herein	\$8,747,892.86
Total Project Costs	\$9,465,492.58

The MTO's Connecting Links Program funding of \$3 million was previously utilized to fund \$510,000 of the Consulting Engineering Services on July 11, 2022 and the remainder has been allocated to this tender award.

Due to contributing factors resulting from inflation, supply and demand pressures and various changes in construction regulations, the construction industry is experiencing an overall increase in costs for goods and services. This is reflected in the unit prices that are being submitted and resulted in an overall increase for this tender as compared to similar tenders issued in 2022.

Prepared by:

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Reviewed by:

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Consulted and confirmed the content of the consultation section of the report by:

Jennifer Scherle, Manager, Purchasing and Accounts Payable

Ryan Brown, P.Eng., Director, Public Works

Tim Sunderland, General Manager, Chatham-Kent Public Utilities Commission

Attachment: Appendix A – Consultant Recommendation Letter