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Council-In-Committee Meeting – December 14, 2021

Subject: Summary of Bid Awards for the Period ending Nov 30th, 2021
Report Number: CS 21-67
Division: Corporate Services
Department: Purchasing Department
Purpose: For Decision

Executive Summary:

The purpose of this report is to present a simplified bid award report request outlining various bid results for formal bidding opportunities that have closed for the period ending November 30th, 2021. Staff are seeking approval for the respective General Manager to execute contracts with the successful bidders.

Discussion:

In accordance with Section 3.2.2 of the Purchasing Policy approved by Council on November 10, 2020 under the authority of By-Law 2021-19, Council delegated its authority to General Managers to award all Requests for Tenders (RFT) and Requests for Proposals (RFP) with purchase amounts between \$50,000 and \$250,000 when all of the following conditions apply:

1. It is the lowest Tender meeting specifications, or the Proposal meeting the Price per Point methodology, and
2. The scope of the project has not changed from what was approved by Council, and
3. The amount of the Bid, plus all related costs, is within the approved allocations, and
4. Any contract not anticipated to be financed by debentures.

As outlined in Section 25.1.3 of CS-02, Purchasing Policy, a report to Council is required for approval if any of the required criteria as noted above is not met.

A detailed summary of the formal bidding opportunities has been provided as Attachment A to this report. All purchasing activity outlined in the attachment require award by Council.

The formal bidding opportunities outlined have been developed and issued in accordance with the Norfolk County Purchasing Policy and Procedures. The recommended bidder has been proposed on the basis of having submitted the lowest

compliant bid that meets the minimum specification as outlined in Norfolk County Policy CS-02, Purchasing Policy, Section 4.4.

Financial Services Comments:

Previously Bid awards that did not fall within the authority of By-Law 2021-19 would be presented to Council for consideration through individual reports. The simplified bid award report eliminates the need for individual reports and presents a summary of the various bid results for formal bidding opportunities that have closed for the period ending November 30th, 2021.

The Bid awards summarized in Attachment A do not fall within the authority of By-Law 2021-19 for various reasons such as:

1. The amount of the Bid and all related costs may not be within the approved allocations.
2. Anticipated financing will be by debentures
3. The Bid award is over \$250,000
4. The Scope of the project may have changed.

For those Bids and related costs that are under the approved allocation, a positive financial implication will be realized. In addition, for any Bid and related costs that are over the approved allocations, recommendations for Council approval to amend the approved budgets have been proposed however, a recommendation has also been included to either defer a project or find additional savings to offset any potential budget shortfalls.

Interdepartmental Implications:**Consultation(s):**

The General Manager, Environmental and Infrastructure Services; the General Manager, Corporate Services; and the Treasurer and Director, Financial Services were consulted in the preparation of this report.

Strategic Plan Linkage:

This report aligns with the 2019-2022 Council Strategic Priority "Create an Optimal Place for Business".

Explanation:

This report supports the strategic plan by allowing bids to be awarded and contracts to be executed in a timely manner which creates efficiencies for departments to operate within the guidelines outlined in the Purchasing Policy and Procedures.

Conclusion:

Staff are seeking approval to execute contracts with recommended bidders for the formal bidding opportunities that closed for the period ending November 30th, 2021

through resolution of Council in accordance with Norfolk County Purchasing Policy and Procedures.

Recommendation(s):

THAT Staff Report CS 21-67, Summary of Bid Awards for the period ending November 30th, 2021, be received as information;

AND THAT the General Manager, Environmental and Infrastructure Services be authorized to execute a contract with Aecom Canada Ltd. for Request for Proposal **EIS-ENG-21-83 Engineering Design Phase Two Upgrades Port Rowan Water Plant** in the amount of \$594,743.00 (excluding HST);

AND THAT the General Manager, Environmental and Infrastructure Services be authorized to execute a contract with R.F. Almas Company Limited for Request for Tender **EIS-ENG-22-35 Sunninghill Drive Reconstruction** in the amount of \$3,932,040.65 (excluding HST).

AND THAT the 2022 Approved Capital Budget for the construction portion of the Sunninghill Drive Reconstruction project be amended from \$3,643,000 to \$4,002,000. (including net HST) to accommodate the increase of \$359,000. With funding to be provided from Roadway Construction Reserve (increased by \$360,000), Water Capital Replacement Reserve (decreased by \$13,000), and Wastewater Capital Replacement Reserve (increased by \$12,000).

AND THAT the General Manager, Corporate Services be authorized to execute a contract with MNP LLP for Request for Proposal **CS-FMP-21-02 External Audit Services** for a term of five (5) years, **from January 19, 2022 to January 18, 2027** in the amount of \$277,500.00 (excluding HST);

AND THAT the General Manager, Environmental and Infrastructure Services be authorized to execute a contract with J-AAR Excavating Limited for Request for Tender **EIS-ENG-22-33 St Andrew Reconstruction** in the amount of \$2,069,294.85 (excluding HST);

AND THAT the 2022 Approved Capital Budget for the construction portion of the St Andrew Reconstruction project be amended from \$1,650,000 to \$2,105,700 (including net HST) to accommodate the increase of \$481,000, based on the tender results and the additional contingency allowance required. With funding to be provided by the Roadway Construction Reserve (increased by \$303,000), Water Capital Replacement Reserve Fund (increased by \$115,000), and Wastewater Capital Replacement Reserve Fund (increased by \$63,000).

AND THAT the General Manager, Environmental and Infrastructure Services be authorized to execute a contract with Sierra Infrastructure Inc. for Request for Tender **EIS-ENG-22-34 South Drive Construction** in the amount of \$2,681,415.93 (excluding HST);

AND FURTHER THAT the necessary By-Laws be prepared.

Attachment(s):

Attachment A – Summary of Bid Awards for the period ending November 30th, 2021

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Bid Number+1:7	Bid name:	Bid Type	Bid Closing Date:	Number Bids Received:	Number Bids Rejected:	Bid Advertising:	Successful Bidder Name:	Bid Amount (excluding taxes)	Budget	Names and prices of all bids meeting requirements (exclusive of all applicable taxes)	Comments by User Division	Finance Comments	Multiple Year Bid	Project Start Date	Project End Date
EIS-ENG-21-83	Engineering Design Phase Two Upgrades Port Rowan Water Plant	RFP	26-Oct-21	5	0	Coordinated Newspaper Ad; Norfolk County Bids & Tenders	Aecom Canada Ltd.	\$594,743.00	\$6,000,000	AECOM Canada Ltd. R.V. Anderson Associates Limited First Nations Engineering Services Ltd Hatch Ltd. WSP Canada Inc.	This procurement was for the approved 2021 Capital budget replacement of Grader G861.	The Approved Capital Budget includes \$6,000,000 for the Port Rowan WTP and Intake Upgrades. \$700,000 for Engineering Services, \$100,000 for Equipment Purchases and \$5,200,000 for construction. Funding for this project is \$5,700,000 from debentures, \$200,000 from the Water Development Charge Reserve Fund, and \$100,000 from the Water Capital Replacement Reserve Fund. To date, \$220,600 in Engineering costs have occurred for this project, and the amount of the successful bid is \$605,200 (net HST), bringing total estimated Engineering costs to \$825,800 for this project. Although the Engineering portion of the project's budget is not sufficient to cover the costs of this tender, it is expected that the total approved budget for this project will be sufficient, and as such it is recommended to award this bid. If future cost estimates identify a budget amendment is required, this will be brought forward to Council at the time of awarding the tender for construction.	N	03-Jan-22	31-Dec-24
EIS-ENG-22-35	Sunninghill Drive Reconstruction	RFT	16-Nov-21	7	0	Coordinated Newspaper Ad; Norfolk County Bids & Tenders	R.F. Almas Company Limited	\$3,932,040.65	\$3,933,000	R.F. Almas Company Limited \$3,932,040.65 Allan's Excavating Inc. \$4,042,047.46 Seawaves Development Services Inc \$4,114,057.00 Elgin Construction \$4,344,093.44 Oxford Civil Group Inc. \$4,346,973.95 Sierra Infrastructure Inc \$4,455,752.21 Network Sewer and Watermain Ltd \$4,457,276.01	This request for tender closed on November 16, 2021 with bids being submitted by a total of seven (7) contractors. R.F. Almas Company Limited is the low bidder with a total bid of \$3,932,040.65, excluding HST. This bid submission includes a contingency allowance of \$118,000 and an allowance for the provisional sidewalk installation of \$94,000. Engineering staff have reviewed all bid submissions and noted the majority of the overruns are associated with the supply and installation of manufactured products. The global COVID-19 pandemic has interrupted global supply chains and driven the cost of commodities up significantly. Industry experts and suppliers cannot provide any certain guidance on whether this situation is going to improve as we move into 2022 and beyond. With seven (7) competitive bids being received, this is a strong indicator that the price is competitive. Staff recommend Council endorse a budget amendment and award EIS-ENG-22-35 to R.F. Almas Company Limited.	Budget Amendment - The Approved 2022 Capital Plan \$3,933,000 for the Sunninghill Drive Reconstruction Project. This project includes \$290,000 for Engineering and \$3,643,000 for construction budget (which includes a \$55,000 budget amendment for the provisional sidewalk as approved in EIS 21-39). The funding for this project was through a combination of OCIF Grant Funding (\$2,093,000) and the Roadway Reconstruction (\$1,020,000), Water Capital Replacement (\$666,000), and Wastewater Capital Replacement Reserve Funds (\$154,000). Based on the tender award amount of \$4,002,000 (rounded, Incl. Net HST) for construction, a budget amendment of \$359,000 is required to accommodate the amount as outlined in this Bid. Staff is recommending that the funding from the Roadway Construction Reserve be increased by \$360,000, Water Capital Replacement Reserve decreased by \$13,000, and Wastewater Capital Replacement Reserve increased by \$12,000, directly based on the tender results. More details are provided in companion report EIS 21-52.	N	25-Apr-22	11-Nov-22

Bid Number:1:7	Bid name:	Bid Type	Bid Closing Date:	Number Bids Received:	Number Bids Rejected:	Bid Advertising:	Successful Bidder Name:	Bid Amount (excluding taxes)	Budget	Names and prices of all bids meeting requirements (exclusive of all applicable taxes)	Comments by User Division	Finance Comments	Multiple Year Bid	Project Start Date	Project End Date
CS-FMP-21-02	External Audit Services	RFP	16-Nov-21	3	1	Norfolk County Bids & Tenders	MNP LLP	\$277,500.00	\$435,000	Hicks, MacPherson, Iatonna & Driedger LLP Millard, Rouse & Rosebrugh LLP MNP LLP	This was the first RFP for audit services issued by Norfolk County and includes the audit of Norfolk's Consolidated Financial Statements as well as individual special audit requirements for various ministry funded initiatives. The lowest compliant submission was received from MNP LLP in London, ON.	The 2022 Proposed Levy Operating Budget contains a total allocation for external auditing services of \$87,000 making the assumed 5 year budget allocation \$435,000 (ignoring inflationary increases). As such, the current budget allocation is sufficient to support the lowest bid of \$277,500 (excl. net HST) which represents an average annual allocation of \$55,500 and would represent considerable cost savings over the 5 year period compared to the current budget level.	Y	19-Jan-22	18-Jan-27
EIS-ENG-22-33	St Andrew Reconstruction	RFT	30-Nov-21	5	0	Coordinated Newspaper Ad; Norfolk County Bids & Tenders	J-AAR Excavating Limited	\$2,069,294.85	\$1,810,000	J-AAR Excavating Limited \$2,069,294.85 Oxford Civil Group Inc. \$2,221,969.35 Gedco Excavating Ltd. \$2,403,444.37 Network Sewer and Watermain Ltd \$2,500,087.52 Sierra Infrastructure Inc \$2,654,867.26	This bid submission includes a contingency allowance of \$44,000. A summary of the scope of work included in the tender is: • Reconstruction of St. Andrew Street from Chapman Street to McNab Street • Sanitary sewer replacement from Nelson Street to McNab Street • Watermain and water service replacement from Nelson Street to McNab Street • New retaining wall installation to separate high/low road between Chapman Street and Nelson Street • New storm sewer installation • New curb and gutter • New road base and asphalt • Replacement of sidewalk on both side from Chapman Street to McNab Street Engineering staff have reviewed all bid submissions and noted the majority of the overruns are associated with the supply and installation of manufactured products. The global COVID-19 pandemic has interrupted global supply chains and driven the cost of commodities up significantly. Industry experts and suppliers cannot provide any certain guidance on whether this situation is going to improve as we move into 2022 and beyond. As of January 1, 2022, Section 8-16 of O.Reg. 406/19 comes into effect which regulates the handling of excess soils. As O.Reg. 406/19 moves towards full implementation, it is anticipated to significantly impact costs associated with projects that generate excess soils. Staff feel it is advisable to proceed with the tender and execute contracts utilizing the 'grandfathering' clause under O.Reg. 406/19, which exempts projects to be constructed after January 1, 2022 from sections 8-16 of the regulation if the contract is executed before December 31, 2021. This could result in significant savings on this project. With O.Reg 406/19 adding further costs to infrastructure projects as of January 1, 2022, Engineering staff are wary that the costs may continue to rise. Council choosing to award the bid will ensure that the project is completed for the price received and not subject to future inflationary costs or costs associated with O.Reg. 406/19. With five (5) competitive bids being received, this is a strong indicator that the price is competitive. Staff recommend Council endorse a budget amendment and award EIS-ENG-22-33 to J-AAR Excavating Limited.	Budget Amendment - The Approved 2022 Capital Plan included a budget allocation of \$1,810,000 for the St. Andrew Street Reconstruction project. The budget included an allocation of \$160,000 for engineering and \$1,650,000 for construction. The funding for the project is through a combination of the Gas Tax Reserve Fund (\$1,358,000), Roadway Construction Reserve (\$160,000), Water Capital Replacement Reserve Fund (\$135,000), and Wastewater Capital Replacement Reserve Fund (\$157,000). Based on the tender award amount of \$2,105,700 (rounded, Net of HST), a budget amendment of \$456,000 is required to accommodate the amount as outlined in this Bid. It is also being recommended that an additional contingency amount of \$25,000 be approved to cover additional unexpected costs which may occur, bringing the total amendment required to \$481,000. Staff is recommending that the funding from the Roadway Construction Reserve be increased by \$303,000, Water Capital Replacement Reserve Fund increased by \$115,000, and Wastewater Capital Replacement Reserve Fund increased by \$63,000, directly based on the tender results and the additional contingency allowance required.	N	24-May-22	16-Sep-22

Bid Number+1:7	Bid name:	Bid Type	Bid Closing Date:	Number Bids Received:	Number Bids Rejected:	Bid Advertising:	Successful Bidder Name:	Bid Amount (excluding taxes)	Budget	Names and prices of all bids meeting requirements (exclusive of all applicable taxes)	Comments by User Division	Finance Comments	Multiple Year Bid	Project Start Date	Project End Date
EIS-ENG-22-34	South Drive Construction	RFT	30-Nov-21	9	0	Coordinated Newspaper Ad; Norfolk County Bids & Tenders	Sierra Infrastructure Inc.	\$2,681,415.93	\$3,501,000	Sierra Infrastructure Inc \$2,681,415.93 J-AAR Excavating Limited \$2,796,537.81 Navacon Construction Inc. \$2,862,271.00 Allan's Excavating Inc. \$2,889,635.20 Oxford Civil Group Inc. \$2,922,722.12 Elgin Construction \$3,077,058.61 VIEWCON CONSTRUCTION LTD \$3,450,911.47 Gedco Excavating Ltd. \$3,469,802.07 Euro Ex Construction \$3,838,429.00	EIS-ENG-22-34 consists of the reconstruction of South Drive in Simcoe, ON. Upon closing, Sierra Infrastructure Inc. was the low bidder. Given a proven ability to complete complex projects and deliver a quality product on time and within budget, staff recommend EIS-ENG-22-34 be awarded to Sierra Infrastructure Inc.	The Approved 2022 Capital Plan includes a budget of \$3,501,000 for the South Drive – John St. to Queen St., Simcoe project. A total of \$170,000 has been allocated for engineering, and \$3,331,000 for the construction of this project. The funding for this project is provided by the Gas Tax Reserve Fund (\$2,306,000), Roads & Related Development Charge Reserve Fund (\$256,000) Roadway Reconstruction Reserve (\$170,000), Water Capital Replacement Reserve (\$462,000), Water Development Charge Reserve Fund (\$51,000), Wastewater Capital Replacement Reserve (\$230,000), and Wastewater Development Charge Reserve Fund (\$26,000). Based on the tender award of \$2,728,600 (rounded, Incl. Net HST), sufficient funds have been allocated to accommodate this bid. These savings realized through favorable tender results will be utilized to offset unfavorable results for other construction projects.	Y	18-Apr-22	30-Sep-22