

Report to Council

To: Water Works Committee – New Business
From: Administration - Operations
File #: DOP-CC-15
Date: July 12, 2021
Re: Saskatchewan Avenue W. Sewer and Water Renewals Tender Award

ISSUE:

To award the contract for the 2021 Saskatchewan Avenue W. Watermain and Wastewater Sewer Renewals as specified in RFP No. 21 OPS 027.

ALTERNATIVES:

1. Do not award the Contract.
2. Award the Contract to E.F. Moon Construction Ltd.

ANALYSIS:

The Phase 1 tender of the Saskatchewan Avenue W rehabilitation project closed on June 21st. This tender included renewal of wastewater sewer & water lines along Saskatchewan Ave. W from 4th Street W to Elm Street. Two tenders were received, and results were as follows:

COMPANY NAME	PRICE NET OF GST	POINTS
E. F. Moon Construction Ltd.	\$7,150,035.00	99
Allen & Bolack Excavating Ltd.	\$8,489,016.93	78.07

This tender was prepared by Stantec Consulting and advertised on the City Web Site as well as Merx. Stantec’s opinion of probable cost for this tender was \$5,266,954 and the prices received were substantially higher than anticipated. The amount budgeted for this project was \$6,000,000. It was expected with a job this size that we would receive more than two bids and that the prices would be more competitive.

It is assumed that the time of tendering and the aggressive proposed project timeline have likely aided in this higher than anticipated cost. It has also been noted that contractors are experiencing delays in getting material and prices are increasing.

If the project is awarded as is to E. F. Moon Construction, the City of Portage la Prairie has been approved for debentures that could cover the additional cost over the \$6,000,000 budgeted of approximately \$1,150,035. The tender amount did not include any contingency, so it is recommended that an additional \$300,000 be allocated to the project for a maximum of \$1,450,035 to come from approved debenture funding.

The intention is to complete the work in 2021 but this is a very aggressive schedule and some of the work may need to be carried over into 2022.

A second option would be to not award at this time and to re-tender. It is possible that the City could receive more interest and better pricing if the tender were re-issued in early 2022. This would mean that roadworks would be delayed until 2023, and there is no guarantee that the prices would be lower, and some risk that they could increase.

ADMINISTRATIVE RECOMMENDATION:

THAT the Council of the City of Portage la Prairie Award the contract for 2021 Saskatchewan Avenue W. Watermain and Wastewater Sewer Renewals to E.F. Moon Construction Ltd. for the amount of \$7,150,035.00 plus GST and allocate a \$300,000 contingency allowance, with \$2,958,340 to be paid with approved debentures and \$4,491,695 with prospective grant funding.