



March 11, 2021
File No. 16-557

**Town of Amherstburg
271 Sandwich Street South,
Amherstburg, ON
N9V 2A5**

**Attention: Mr. Shane McVitty, P.Eng.
Drainage Superintendent & Engineering Coordinator**

**Re: PWD-MD-2016-011 Ouellette Drain West
Town of Amherstburg**

Dear Shane:

Tenders were opened on March 3, 2021 for the above-noted project. The results in ascending order are as follows:

<u>Tenderer</u>	<u>Tender Amount (excl. HST)</u>
Nevan Construction Inc.	\$ 245,200.00
South Shore Contracting.	\$ 347,700.00

The tender prices include a Contingency allowance of \$10,000.00. We have completed a review of the Tender submissions. A copy of our evaluation is attached for your records.

We recommend that Municipality accept the low tender submitted by Nevan Construction Inc., in the amount of \$ 245,200.00 + HST.

The low tender of Nevan Construction Inc. is 130.8% of the original estimate for the construction cost. This is an increase of \$55,365.00. Items Nos. 6 & 7 were tendered \$34,715.00 above the estimate. These are the items for the supply of the gabion basket materials and the gabion stone. They make up about 63% of the cost increase. Interestingly enough, Item No. 8, the Labour and installation of the Gabion baskets was estimated at \$45,000.00 while the low tender was only slightly higher at \$48,000.00. The increases relate to the supply costs for the gabion basket materials and the gabion stone, not the installation.

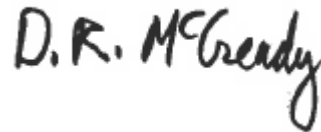


Item No. 11, the granular backfill behind the gabion baskets tendered \$7,000.00 above the estimate and Item No. 13, the restoration of the gravel driveway also tendered \$7,000.00 above the estimate. Items 6, 7, 11 and 13 combined, make up \$48,715.00 of the \$55,365.00 cost increase.

It seems that a large part of the price increase is related to increases in material costs probably related to Covid influences and the fact that it has been two years since the drainage report and cost estimate was submitted. Also, as we saw last year for other shoreline type projects, prices have risen substantially as shoreline contractors are extremely busy due to high water levels on the Great Lakes system.

Given these factors, we would recommend that acceptance of the low tender of Nevan Construction Inc. be considered. Since the low tender is below the 133% threshold set out in Section 59(1) of the Drainage Act. A meeting with the ratepayers to discuss the Tendered price is not required.

Yours truly,
RC SPENCER ASSOCIATES INC.

A handwritten signature in black ink that reads "D. R. McCready". The signature is written in a cursive, slightly slanted style.

Dennis McCready, B.A.Sc., P.Eng.
Senior Drainage Engineer