

To: Finance Committee

From: Stephanie Sinnott, Executive Director, Finance
Services/Treasurer,
Office of the City Manager

Report Number: FIN-17-24

Date of Report: March 31, 2017

Date of Meeting: April 20, 2017

Subject: Request for Tender C2017-009 - Oshawa Executive Airport
Runway Rehabilitation

File: C-5400

1.0 Purpose

The purpose of this report is to recommend a contract award for the Oshawa Executive Airport Runway Rehabilitation to the lowest compliant bidder in accordance with the Purchasing By-Law.

The Purchasing By-Law requires Council approval for contract awards greater than \$2,000,000.

2.0 Recommendation

That the Finance Committee recommend to City Council:

That the Manager, Purchasing Services be authorized to award a contract as detailed in Report FIN-17-24 dated March 31, 2017, Request for Tender C2017-009 Oshawa Executive Airport Runway Rehabilitation, to Metric Contracting Services Corporation, in the amount of \$5,476,693, including all taxes being the lowest responsive and responsible bid received.

3.0 Executive Summary

Not applicable.

4.0 Input From Other Sources

- Commissioner, Development Services
- Airport Manager
- WSP Canada Inc.

5.0 Analysis

5.1 Background

In June of 2015 Council approved the 2015-2019 Oshawa Airport Business Plan.

The Airport Business Plan included an Airport Infrastructure Assessment and a 20 year capital plan prepared by WSP Canada Inc. (WSP). The Business Plan included major reconstruction work for Runway 12-30 to be completed before the closure of Buttonville airport, which is expected in the Fall of 2017. Runway 12-30 is the primary runway at the Oshawa Airport.

City Council adopted report FIN-16-99 concerning the plan of construction, timeline, costing and source of funds for the reconstruction of Runway 12-30 and related items at the Oshawa Executive Airport and referred it to the City's 2017 Capital Budget process. The project was identified as a time sensitive project and approved as part of the time sensitive 2017 Capital Projects.

5.2 Request for Tender Process and Bid Results

WSP provided specifications and Purchasing Services issued a request for tender (R.F.T.) for the Airport Runway 12-30 Rehabilitation. Purchasing Services invited known bidders and in order to increase competition, advertised the tender on the City's and the Ontario Public Buyers' Association websites.

Eight (8) bids were received and opened by the Manager, Purchasing Services on March 15, 2017. Upon review of the tenders submitted all were deemed compliant with the requirements of the R.F.T.

The City's consultant, WSP has reviewed the bids and concurs with the recommendation within this report. WSP's analysis and comments is attached as Appendix A.

WSP carried out reference checks on Metric Contracting Services Corporation. and all references were favourable. WSP is satisfied that the references provided are reflective of the type of the work to be carried out in this tender.

The following is a list of bids received

Item	Bidder	Bid Amount	Bid Compliance
1	Metric Contracting Services Corporation	\$5,476,693	Yes
2	Todd Brothers Contracting Limited	\$6,093,886	Yes
3	Coco Paving Inc.	\$6,209,248	Yes
4	Hard-Co Construction Ltd.	\$6,321,399	Yes
5	D. Crupi & Sons Limited	\$6,494,572	Yes
6	DPSL Group Ltd.	\$6,959,670	Yes
7	Elirpa Construction & Materials Ltd.	\$7,060,690	Yes
8	Brennan Paving & Construction Ltd.	\$7,066,276	Yes

6.0 Financial Implications

Description	<u>Estimated Cost</u>
Contract Value	
(taxes excluded)	\$4,846,631
Plus H.S.T. 13%	<u>\$630,062</u>
Total Cost	\$5,476,693
Less H.S.T. Rebate	<u>(\$ 544,761)</u>
Total Net Cost	<u><u>\$4,931,932</u></u>

The funding was approved as part of the 2017 capital budget through a combination of an interfund note, federal gas tax and a contribution from the airport development reserve.

7.0 Relationship to the Oshawa Strategic Plan

The recommendation in this Report advances the Accountable leadership and Economic Prosperity and Financial Stewardship goals of the Oshawa Strategic Plan.



Stephanie Sinnott, Executive Director, Finance Services/Treasurer,
Office of the City Manager



30 March 2017

**Mr. Stephen Wilcox, CM,
Airport Manager**
Oshawa Executive Airport
1200 Airport Blvd, Suite 200
Oshawa, ON L1J 8P5

Phone: 905-576-8146 ext.4
Email: SWilcox@oshawa.ca

**Subject: Oshawa Executive Airport
C2017-009 Runway 12-30 Rehabilitation
Tender Review and Analysis**
O/Ref.: 161-08797-00

Dear Mr. Wilcox,

The following provides an outline of our review and analysis of the tender received for the above noted project.

1.0 TENDER REVIEW AND SUMMARY

In February 2017 Tender Documents for the Oshawa Executive Airport – Runway 12-30 Rehabilitation (Contract No. C2017-009) were released for bidding on the City of Oshawa's electronic bidding system.

Eight (8) tenders were received prior to the closing time and subsequently opened at the City of Oshawa. At the request of the Oshawa Executive Airport (CYOO), WSP has reviewed the three (3) lowest tenders were received from the Metric Contracting Services Corporation, Todd Brothers Contracting Limited and Coco Paving Inc.

The Tenders were reviewed and analyzed for completeness per the submittal requirements stipulated in the tender documents. Tenders were not reviewed for arithmetic errors as they were submitted via the City of Oshawa E-Bid system. Table 1 Tender Evaluation Summary summarizes the results. Note that pricing excludes the HST.

Table 1
Tender Evaluation Summary
Contract No. C2017-009 CYOO Runway 12-30 Rehabilitation

Tender Evaluation Items	Metric Contracting Services Corp.	Todd Brothers Contracting Ltd.	Coco Paving Inc.
Tender Ranking	1	2	3
Tender Price (Excluding HST)	\$4,846,630.70	\$5,392,819.86	\$5,494,910.05
References	Acceptable	Acceptable	Acceptable
List of Sub-Contractors	Acceptable	Acceptable	Not Acceptable
Bid Deposit	Acceptable	Acceptable	Acceptable
Agreement to Bond	Acceptable	Acceptable	Acceptable
Addendums Noted	5	5	5

2.0 GENERAL OBSERVATIONS AND DISCUSSION

All Tenders appear to have considerable earthworks and paving experience. References were contacted, and all references contacted provided favourable reviews for each of the three (3) low tenders.

The following general comments are noted with respect to the Tender Pricing received.

1. The lowest tender was approximately \$460,000 (9%) lower than the pre-tender Engineer's Estimate.
2. The average of the low three (3) tenders was approximately \$60,000 (1%) lower than the Engineer's Estimate.
3. Unit pricing is generally consistent between the three (3) low tenders and the Engineer's Estimate.

2.1 LOW BID ANALYSIS

The following highlights the variation in the tendered price of each section compared to the Engineer's Estimate. Where the variation is greater than +/- 20% of the Engineer's Estimate additional commentary is provided.

- General Construction Items (Items 1/1/2001 through 1/1/2009) were approximately \$154,000 (44%) lower than the Engineer's Estimate. This can be attributed to current market conditions and/or efficiencies generated by the Contractor.
- Removals Items (Items 1/2/2001 through 1/2/2004) were approximately \$105,000 (49%) lower than the Engineer's Estimate. This can be attributed to market conditions and/or proximity of the construction site to the Contractor's disposal site(s).
- Storm Sewer Items (Items 1/3/2001 through 1/3/2003) were approximately \$160,000 (31%) higher than the Engineer's estimate. The majority of the cost difference is in the item for new subdrain structures, and it is generally consistent with the rest of the tenders received.
- Earthworks and paving as well as electrical works were within 10% of the Engineer's Estimate (7% and 9% respectively).

The reference projects provided by the Metric Contracting Services Corporation comply with the requirements of the RFT. WSP was able to contact two (2) of the three (3) references provided by telephone, and both references indicated a positive working experience with the Metric Contracting Services Corporation.

3.0 RECOMMENDATIONS

It is recommended that the City of Oshawa confirm that they are in agreement with the analysis provided above.

Upon confirmation of agreement it is further recommended that the City of Oshawa award Contract C2017-009 to the Metric Contracting Services Corporation for the tendered price of \$4,896,630.70 excluding HST.

4.0 NEXT STEPS

Following Council Approval, the City of Oshawa should complete the Notice of Acceptance included in the Tender Documents and execute the contract with the Metric Contracting Services Corporation.

Once the Notice of acceptance has been signed it is recommended that the City of Oshawa return the tender deposits as soon as practicable.



Following the execution of the agreement, WSP will coordinate preconstruction activities with the Metric Contracting Services Corporation.

5.0 SUMMARY AND CLOSING

The tender price for the Oshawa Executive Airport Runway 12-30 Rehabilitation is within the project budget.

It is recommended that the City of Oshawa award Contract C2017-009 to the Metric Contracting Services Corporation.

Should you have any questions or require any additional information please do not hesitate to contact the undersigned.

Sincerely,

A handwritten signature in black ink, appearing to read "C. Timmerman", with a horizontal line extending to the right.

Chris Timmerman, CET
Project Design Manager, Aviation

Enclosures:

cc.

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