



MANAGEMENT REPORT

Date: July 22, 2024
To: Mayor and Council
From: Nathan Bottema, Project Engineer
Report Number: COU24-078
Attachments: T-2024-17 Bid Summary

Title: T-2024-17 Perth Line 36 Culvert Replacement Tender Award

Objective: To obtain Council approval to accept the lowest bid from Lavis Contracting Co. Limited of \$786,199.47 including HST, for the Perth Line 36 Culvert Replacement Contract T-2024-17.

Background: Structure 01-BR-01 is a culvert located on Perth Line 36 (Quinlan Road), 720m west of Mornington Street, crossing the Court Drain. The existing structure is a 5.5m span x 1.8m high x 17.6m open footing culvert with precast retaining walls. Perth Line 36 is an arterial road and designated truck route. The legislated bi-annual visual inspection (2021) identified Structure 01-BR-01 as requiring replacement, noting concrete cracking and delamination throughout the structure.

The City engaged B.M. Ross and Associates Limited (BM Ross) in November 2023 to develop the design, contract specifications and detailed estimate. This structural engineering consulting firm has been retained to provide construction contract administration and inspection.

The Perth Line 36 Culvert Replacement Contract tender was posted on the City's website on June 12, 2024. The work includes replacing the existing structure with a precast concrete box culvert and constructing new retaining walls, sidewalk, guiderails, and road structure. The tender closing date was July 4, 2024, and construction is planned for Fall 2024.

Perth Line 36 is a boundary road subject to the conditions in the Boundary Agreement with the County of Perth. This agreement states that regular upgrades to boundary roads will be borne on a 50/50 basis and that the City is responsible for any cost to improve the road beyond rural standards.

Analysis: There were a total forty-eight registered bidders for the project, with six submitting official bids. The lowest qualified bid of \$786,199.47 including HST was provided by Lavis Contracting Co. Limited. The submission was reviewed, and their experience and references were checked with positive results. The contractor has successfully completed other projects in the City and County of Perth. The Lavis Contracting Co. Limited bid of \$786,199.47 is \$707,996.98 after the HST Partial Rebate.

The estimated total project costs are:

Construction Contract (after HST rebate)	\$	707,996.98
Consultant fees (incl. contract admin)	\$	59,000.00
Utility Relocates (estimated)	\$	30,000.00
Geotechnical & Material Testing fees (estimated)	\$	35,000.00
Total	\$	831,996.98

The 2024 capital budget projected total costs of \$1,200,000 for this project to be funded as follows:

Federal Gas Tax	\$	750,000.00	R-R11-RFED
Recoverable - County of Perth	\$	450,000.00	N/A
Total	\$	1,200,000.00	

Upwards of \$450,000 is expected to be recovered from Perth County through the Boundary Road Agreement. The unspent federal gas tax funds will remain for future capital expenditures.

Financial Implications:

Financial impact to current year operating budget:

The full cost of the project will be borne by the City, with the County of Perth invoiced for their portion.

Financial impact on future year operating budget:

The eventual capital replacement work would result in decreased annual operating and maintenance cost in future years once the bridge structure is rehabilitated.

Link to asset management plan and strategy:

This installation will replace the City’s existing asset inventory. The expected service life of the replacement asset component is 75 years.

The new asset would be added to the asset management plan, and the old asset removed. New asset replacement would be planned for based on estimated useful life. The adjustment to the asset management plan would impact future capital planning forecasts and funding strategies would be updated accordingly.

Alignment with Strategic Priorities:

Enhance our Infrastructure

This report aligns with this priority as the new asset will maintain the longevity and safety of a critical transportation route.

Alignment with One Planet Principles:

Equity and Local Economy

Creating safe, equitable places to live and work which support local prosperity and international fair trade.

Land and Nature

Protecting and restoring land for the benefit of people and wildlife.

Travel and Transport

Reducing the need to travel, encouraging walking, cycling and low carbon transport.

Staff Recommendation: THAT the Tender (T-2024-17) for the Perth Line 36 Culvert Replacement Project be awarded to Lavis Contracting Co. Limited, at a total tender price of \$786,199.47, including HST;

AND THAT the Mayor and Clerk, or their respective delegates, be authorized to sign the necessary Contract Agreement for construction contract T-2024-17.

Prepared by: Nathan Bottema, Project Engineer

Recommended by: Taylor Crinklaw, Director of Infrastructure Services

Joan Thomson, Chief Administrative Officer