

**ADDITIONS TO THE AGENDA FOR THE COUNCIL MEETING OF
THE CORPORATION OF THE TOWNSHIP OF RED ROCK
FOR THE 1,014th MEETING ON OCTOBER 22nd, 2024**

Additions to the Agenda:

8. Reports from Administration
 - Item 8.1: Community Development Officer Report (Letter of Recommendation) RES



RED ROCK
A Superior Treasure

Township of Red Rock

Community Development Office

42 Salls Street
Red Rock ON P0T 2P0
cdo@redrocktownship.com
(807) 886-2704

October 22, 2024

Recommendation to Council

The Township of Red Rock underwent a competitive bidding process to secure the services of an electrical contractor to complete the work under an ESA directive. Through that bidding process, one submission was received by TBT engineering, the Engineers and Contract Administrators for the project.

TBT Engineering has reviewed the submission, and has no concerns regarding the quality of work of the bidder or their ability to complete the work by the required deadline. Therefore, as per the letter attached, TBT engineering is recommending the Township of Red Rock accept the bid submitted by Overall Electric, with an upset limit in the amount of \$97,455 + HST.

This project was included in our project listings for OCIF as well as CCBF using the allocated funds to the municipality for projects of this nature. Therefore, the CDO is also recommending that the Township of Red Rock enter into a contract with Overall Electric, of Thunder Bay for the completion of the work as specified in the Tender Specifications for Project No.:23-623 Water Treatment Plant Electrical Service Remediation as prepared by TBT Engineering, with an upset limit in the amount of \$97,455.00 + HST.

October 18th, 2024

TBTE Project#: 23-623

Township of Red Rock
42 Salls Street, Box 447
Red Rock, ON
P0T 2P0

Attention: Ashley Davis – Community Development Officer

RE: Red Rock Water Treatment Plant – Electrical Service Remediation Work

Tender Bids

The following Tender Bids were received by TBT Engineering on October 17th, 2024 for the above noted project:

1) Overall Electric	\$97,455.00
HST	<u>\$12,669.15</u>
Total (HST Included).....	\$110,124.15

Comments & Discussion

The pre-tender estimate for the combined scope of work indicated in the contract documents was \$50,162.08. The tender price received from the low bidder; Overall Electric was approximately 94% higher than this estimate.

It is estimated that the difference in price between the pre-tender cost estimate and the received tender bids is due to a combination of lack of interest, underestimate of market conditions and an underestimate of the labor required to complete the project. The number of bids received, and the difference in price between the low bid and pre-tender estimate make it difficult to assess if the tender bids are fair and reasonable. However, the tender prices received reflect the competitive market at the time of the tender and are not always reflective of pricing for similar projects received at a different time, under different market conditions.

Given the difference between the tender bid and the pre-tender estimate, negotiations were had with the low bidder to reduce the bid price. In summary, the Owner and Contractor were agreeable to modify the contract from a stipulated price contract to a time and materials contract with an upset limit. The objective of this contract modification is to both provide an opportunity for cost savings to the Owner, and to limit the risk exposure for the Contractor. This change was recorded in the contract documents as part of Addendum #1.

Recommendations

Upon examination of the tender submission from the low bidder, Overall Electric, the contractor has demonstrated they are qualified to complete the work. All values in each listed bid were added correctly and the bid contained no qualifications.



TBT Engineering Limited
1918 Yonge Street
Thunder Bay, ON
P7E 6T9

Based on the provided information, the tender submission is compliant with the tender call. Therefore, TBT Engineering Limited hereby recommends the award of this project to **Overall Electric** on a time and materials basis, with an upset limit of **\$110,124.15**, inclusive of HST, should the project's budget permit.

If you have any questions on our recommendation, please do not hesitate to contact me.

Yours truly,

TBT Engineering Limited

A handwritten signature in black ink that reads "Isaac Poulin". The signature is written in a cursive style with a large, prominent initial 'I'.

Isaac Poulin, EIT
Engineer in Training – Electrical Division