

May 28, 2021

BY EMAIL ONLY

Mr. Scott McLeod
Municipality of Arran-Elderslie
1925 Bruce Road 10
Chesley, ON N0G 1L0

Tel: 519-363-3039 ext. 115
Email: works@arran-elderslie.ca

Subject: Tender Analysis
Brook St. Storm Sewer Design
Municipality of Arran-Elderslie
O/Ref.: 11010

Dear Mr. McLeod:

On May 20th, Cobide Engineering Inc. received four (4) tenders for the Brook St. Storm Sewer Design project. We have reviewed the bids for completeness and arithmetic correctness. Based on this review, we found that the tenders submitted were calculated correctly with the exception of the Tenders submitted by Moorefield Excavating and Doug Welsh Construction. The errors had no impact on the overall rankings.

A summary of the four (4) tenders that were received is provided in Table 1, below.

Table 1
Tenders Received

Rank	Contractor (Location)	Total Tender Amount
1	Kurtis Smith Excavating	\$614,000.00 (excluding HST)
2	Moorefield Excavating	\$642,996.00 (excluding HST)
3	E.C. King Contracting (The Miller Group)	\$644,221.70 (excluding HST)
4	Doug Welsh Construction	\$713,150.71 (excluding HST)
Engineer's Estimate		\$574,990.00 (excluding HST)

Based on the above results, the lowest Tender received for the project was submitted by Kurtis Smith Excavating. This Tender is approximately \$40,000 above our Final Engineer's Estimate which was prepared in March and approximately \$200,000 higher than the Municipality of Arran-Elderslie budget for the project. The overage from the Engineer's estimates can be attributed to the additional increases in constructions costs due to COVID-19. The construction industry is currently facing materials shortages as well as increased labour costs due to additional safety measures which has also contributed to the tender price being higher than the estimate.

As discussed, due to the overage from the municipal budget, we are recommending that the Tender be cancelled for this year. While overall prices may not decrease much by next year, material prices should decrease once the suppliers are able to get caught up and inventories return to normal levels. Cancelling the project for this year and re-tendering next year will allow for the municipality to budget for additional funds to complete the project. Re-tendering earlier in the year will also improve the chances of getting a better price.

If you have any questions regarding the above, please contact the undersigned at 519-506-5959, extension 101.

Yours truly,

A handwritten signature in blue ink, appearing to read 'Travis Burnside', is written above the printed name.

Travis Burnside, P.Eng.
Director

Encl.

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