



The Corporation of the Town of Tecumseh

Public Works & Engineering Services

To: Mayor and Members of Council

From: Phil Bartnik, Director Public Works & Engineering Services

Date to Council: June 28, 2022

Report Number: PWES-2022-32

Subject: Lesperance Road VIA Rail Crossing Improvements - Tender Results

Recommendations

It is recommended:

That report PWES-2022-32 Lesperance Road VIA Rail Crossing Improvements – Tender Results, **be received**;

And that the single tender received for the Lesperance Road VIA Rail Crossing Improvements **be rejected** due to the bid being significantly over budget.

Background

Considering Transport Canada's 2014 Grade Crossing Regulations and Grade Crossing Standards, VIA Rail Canada conducted inspections on all their grade crossings within their network. There are two rail crossings in the Town of Tecumseh – Lesperance Road north of Tecumseh Road (Mile: 99.31), and Tecumseh Road just west of Lacasse Blvd (Mile: 99.13).

VIA Rail Canada's inspection identified minor improvements that were required such as faded road paint, and consideration for additional safety features. The major item that came from the inspection was the crossing inspection at Mile 99.31 (Lesperance Road),

where it was determined that the gradient for the road approach exceeds the maximum gradient of 2% within 8 metres of the nearest rail and 5% for 10 metres beyond.

In a News Release published May 20, 2021, the Minister of Transport announced more than \$21 million in funding for new projects under the Rail Safety Improvement Program (RSIP) to enhance rail safety in Canada. The Town's VIA Rail/Lesperance Road Improvement project is one of 135 initiatives approved across Canada.

At the July 13, 2021 Regular Meeting of Council, Council approved the recommendations (Motion: RCM-229/21) of Report [PWES-2021-32](#) directing that a by-law be prepared to authorize the Mayor and Clerk to enter into an agreement for the Rail Safety Improvement Program, a program in which the Town received \$1,027,200 (80% of eligible costs). The approved recommendations also expanded the project scope to include enhanced landscaping and allocated additional funding for the enhanced landscaping and property requirements.

At the January 25, 2022 Regular Meeting of Council, Council approved the recommendations (Motion: RCM-23/22) of Report [PWES-2022-03](#) titled "Approval of 2022 Public Works & Engineering Services Capital Works Projects" that authorized Administration to proceed with the identified 2022 capital works projects including the construction of the Lesperance Road VIA Rail Crossing Improvements.

Comments

A tender call was advertised on the Town's website on April 28, 2022, along with being posted on the Town's bids and tenders account. One (1) tender submission was received on May 19, 2022 and was virtually opened in the presence of Administration and the Director Financial Services & Chief Financial Officer. The Tender results are summarized as follows:

Contractor	Tender (excluding HST)
J.C.S. Construction Inc.	\$ 4,080,279.50*

* - denotes corrected total

Mathematical errors were noted in the submitted bid. These mathematical errors were identified and corrected by Dillon Consulting Limited (Dillon), with the updates reflected in the above. Updates to bid prices did not significantly affect the bid price.

Administration, through the assistance of Dillon, consulted with Contractors to provide the reasoning why they did not submit bids for this project, which may have potentially resulted in an acceptable bid. A combination of the time of work, an influx of other projects in the area, and concerns with VIA requirements were provided as the reasons that certain plan takers did not submit a bid.

Next Steps

In accordance with section 4.4(a) of the Town's Purchasing Policy, the tender will be reposted in the Fall 2022 with construction to commence in Spring 2023 to facilitate a more competitive and fair market value bid for the works. Administration will also follow up with VIA on their requirements to address the issues which resulted in only one bid for the Lesperance VIA Rail Crossing Improvements.

The recommendations contained within this report will not preclude J.C.S. Construction Inc. in submitting for the re-tendering of the project in the Fall 2022.

Included in the RSIP agreement was a project completion date of March 31, 2023. Administration has consulted with RSIP Staff on the ability to extend the funding deadline by one additional year to facilitate construction in 2023. Pre-approval from RSIP Staff has been received by email confirmation and, upon Council's approval of the recommendations contained within this report, Administration will begin the process of amending the signed agreement with Transport Canada.

Consultations

Financial Services
Dillon Consulting Limited

Financial Implications

Report PWES-2022-03 provided an estimated project cost of \$2,132,200 and funding approval as follows:

Lifecycle Reserve Fund	Construction	Engineering	Contingency	Total
Road LC Reserve Fund	\$1,456,800	\$318,700	\$73,800	\$1,849,300
Storm Sewer LC	\$224,400	\$47,300	\$11,200	\$282,900
Total	\$1,681,200	\$366,000	\$85,000	\$2,132,200

The single tendered bid received in the amount of \$4,080,279 was significantly over the construction budget (by 243%) and the total project budget (by 191%).

Since the original project application for funding and preliminary cost estimates for the total project, additional cost considerations have come to light, including the VIA Rail requirements and significant inflationary pressure. Pending the outcome of the next tender, Administration will assess project requirements relative to available budget and determine the need to request additional budget allocation to complete the work.

Rail Safety Improvement Program (RSIP)

The Town has been granted approval to receive funding on this project for 80% of the eligible costs as stipulated in the signed RSIP agreement to a maximum contribution by Canada of \$1,027,200. Property acquisition and the Streetscape components of this project are ineligible for funding and cannot be funded by this program as they are outside of the RSIP scope.

Link to Strategic Priorities

Applicable	2019-22 Strategic Priorities
<input type="checkbox"/>	Make the Town of Tecumseh an even better place to live, work and invest through a shared vision for our residents and newcomers.
<input checked="" type="checkbox"/>	Ensure that Tecumseh's current and future growth is built upon the principles of sustainability and strategic decision-making.
<input type="checkbox"/>	Integrate the principles of health and wellness into all of Tecumseh's plans and priorities.
<input checked="" type="checkbox"/>	Steward the Town's "continuous improvement" approach to municipal service delivery to residents and businesses.
<input checked="" type="checkbox"/>	Demonstrate the Town's leadership role in the community by promoting good governance and community engagement, by bringing together organizations serving the Town and the region to pursue common goals.

Communications

Not applicable

Website

Social Media

News Release

Local Newspaper

This report has been reviewed by Senior Administration as indicated below and recommended for submission by the Chief Administrative Officer.

Prepared by:

Cameron Hedges, E.I.T.
Engineering Project Manager

Reviewed by:

John Henderson, P.Eng.
Manager Engineering Services

Reviewed by:

Tom Kitsos, CPA, CMA, BComm
Director Financial Services & Chief Financial Officer

Reviewed by:

Phil Bartnik, P.Eng.
Director Public Works & Engineering Services

Recommended by:

Margaret Misek-Evans, MCIP, RPP
Chief Administrative Officer

Attachment Number	Attachment Name
1	Summary of Tender Results and Recommendation Letter



Our File: 21-2044

May 27, 2022

SENT VIA EMAIL

Corporation of the Town of Tecumseh
 917 Lesperance Road
 Tecumseh, ON
 N8N 1W9

Attention: Mr. Phil Barnik, P.Eng.
 Director, Public Works and Environ.

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 Canada
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**Lesperance Road VIA Rail Crossing Improvements
 In the Town of Tecumseh
 Summary of Bid Results**

One bidder was received on May 19, 2022, for this project. The bid result is summarized as follows:

Bidder	Total Tender Price (Excluding applicable taxes)	
J.C.S. Construction Inc.	\$4,080,279.50	*

***corrected Total Bid Amount**

Based on our review of the bid submission, mathematical errors were made in the submission of J.C.S. Construction Inc. The corrected Total Tender Price is shown above.

We understand that J.C.S. Construction Inc. submitted the required \$150,000.00 Bid Bond. This discrepancy does not affect the recommendation contained herein. The Town of Tecumseh has retained the Bid Bond. We further understand that J.C.S Construction Inc. acknowledged receipt of Addendum No. 1.

Corporation of the Town of Tecumseh

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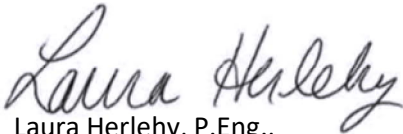
May 27, 2022

The total pre-tender project cost estimated for this project is \$2.02 Million. It is understood that due to the high demand this 2022 Construction season and the global increase in material and labour that prices that the project could exceed the estimated total project costs, however the Total Tender Price of \$4,080,279.50 provided is greater than 100% over the estimated project cost.

We recommend that the Town of Tecumseh consider not awarding the Contract as it exceeds the estimated budget allowance for this project. This project is partially funded by the Federal Government, through the Rail Safety Improvement Program (RSIP), which has a maximum contribution value. It is Dillon's understanding that through the RSIP, the Town is permitted to delay the completion of this project to 2023. Based on this assessment, it is recommended that the Town re-tender this project in 2022 for commencement in early 2023.

Yours sincerely,

DILLON CONSULTING LIMITED



Laura Herlehy, P.Eng.,
Project Manager

LH:ldm

Encl.: J.C.S. Construction Inc. Bid Submission with Errors Noted