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| Department: Infrastructure Services | Report Number: WW2025-02 |
| Business Unit: Wastewater | Meeting Date: 6/26/2025 |
| Presented/ Prepared By: Brian Kavanagh, Director of Infrastructure Services & Town Engineer | |

Subject

Award of RFT2025-02WW – Elora Cataract Trail Linear and Culvert Works

Recommendation

That Council hereby receives report number WW2025-02 “Award of RFT2025-02WW – Elora Cataract Trail Linear and Culvert Works” for information;

And that Council directs staff to proceed with the award of contract to KAPP Infrastructure Inc. in the amount of \$21,839,774.20, excluding HST.

Background

The Elora Cataract Trail project includes the construction of a 450mm diameter PVC gravity sanitary sewer and 250mm diameter PVC watermain from Trafalgar Road in Hillsburgh to Main Street in Erin, a distance of approximately 5.2km. The gravity sewer to be constructed along the Elora Cataract Trail will ultimately connect to the Water Resource Recovery Facility and will allow for the servicing of properties in Hillsburgh. The watermain will provide system redundancy and reduce the number of wells required to supply the Town’s water needs. The project also includes the following:

- Removal and replacement of 26 culverts
- Installation of new guardrails where required
- Reinstatement and upgrades to the existing trail
- Tree planting and landscaping reinstatement

All required permits were in place prior to the tendering of construction services, including Credit Valley Conservation Development Permits, Department of Fisheries and Oceans letter, and Ministry of Environment, Conservation and Parks Permit to Take Water.

Discussion

Staff completed a pre-qualification process prior to tendering this project. The main benefits of pre-qualifying contractors include:

- **Risk Reduction:** Pre-qualification screens contractors for experience, technical expertise, and capacity to handle the scope and complexity of the project.

- **Improved Quality and Performance:** Contractors with proven track records and relevant experience are more likely to deliver high-quality work on time and within budget.
- **Compliance with Legal and Regulatory Standards:** Ensures contractors meet necessary certifications, licenses, insurance, and safety standards upfront.
- **Encouragement of Fair Competition:** Creates a level playing field by setting clear, objective criteria for participation, while deterring 'low-ball' bids from unqualified firms that can lead to cost overruns and schedule delays.

The following companies were pre-qualified for this tender and were invited to bid:

- Clearway Construction Inc.
- GIP Paving Inc.
- KAPP Infrastructure Inc.
- Memme Excavation Company Limited
- Metric Contracting Services Corporation
- 614128 Ontario Ltd. (o/a Trisan Construction)

A Pre-Tender Site Meeting was held on June 4, 2025. The purpose of the Pre-Tender Site Meeting was to allow each bidder to personally observe the local conditions to be met during the performance of the project and to satisfy themselves as to site conditions.

Tender documents were made available on Friday, May 30, 2025, with a closing date of Wednesday, June 18, 2025. Four bids were received. The bids were checked for compliance with the tender documents. All Bids were found to be compliant. The results of the tender prices submitted by each bidder are summarized in the following table:

| Bidder | Bid Price (Excluding HST) | Ranking |
|---|--------------------------------------|----------------|
| KAPP Infrastructure Inc. | \$21,839,774.20 | 1 |
| Memme Excavation Company Limited | \$26,939,101.00 | 2 |
| Metric Contracting Services Corporation | \$28,161,803.75 | 4 |
| 614128 Ontario Ltd. (o/a Trisan Construction) | \$27,425,162.61 | 3 |

The lowest bid was submitted by KAPP Infrastructure Inc. in the amount of \$21,839,774.20, excluding H.S.T. The bid provided by KAPP Infrastructure Inc. is approximately 16% lower than the average submitted bid value of \$26,091,460.39.

WSP, the design and contract administration consultant, provided a pre-tender estimate of \$35,250,000. The lowest cost bid from KAPP Infrastructure Inc. is approximately 38% lower than the pre-tender cost estimate.

Lower than estimated tender prices are likely due to the pre-tender estimate being overly conservative in terms of overestimation of procurement and financial cost increases due to market uncertainty, fluctuating international tariffs and provincial and federal policies. Staff recommend that the contract be awarded to the lowest compliant bidder, KAPP Infrastructure Inc.

Strategic Priority Pillar Infrastructure and Finance

Objective

1.1 Wastewater and Water Infrastructure Plan

Actions

1.1.5 Upgrade and modernize the drinking water infrastructure system, including new wells, a delivery system and installing new digital water meters with advanced readers and communication.

1.1.6 Complete the water, wastewater recovery facility and linear works infrastructure projects.

Financial Impact

The wastewater portion of the project is funded by developers benefiting from the wastewater infrastructure. The water portion of the project is funded by Development Charges.

Conclusion

That Council hereby receives report number WW2025-02 “Award of RFT2025-02WW – Elora Cataract Trail Linear and Culvert Works” for information and directs staff to proceed with the award of contract to KAPP Infrastructure Inc. in the amount of \$21,839,774.20 excluding HST. The award is considered good value for money and provides an appropriate scope of work to build out the Town’s water and wastewater systems.

Attachments

None.

Brian Kavanagh

Director of Infrastructure Services &
Town Engineer

Rob Adams

Chief Administrative Officer