

Report TR-TAPS-36-15

To: Chair Barfoot and Members of the Transportation and Public Safety Committee
From: M.J. Kelly, Director of Transportation Services and Sharon Melville, Buyer
Meeting Date: April 23, 2015
Subject: Award of RFT-TS-17-15 Grey Road 12 Hot Mix Paving
Status: Recommendation adopted by Committee as presented per Resolution TAPS68-15; Endorsed by County Council May 5, 2015 per Resolution CC67-15;

Recommendation(s)

WHEREAS the 2015 budget for the Grey Road 12 project was \$284,058, the proposed work consists of placing a preventative maintenance hot mix overlay, design, tendering, construction inspection, and quality assurance;

AND WHEREAS RFT-TS-17-15 for Grey Road 12 Hot Mix Paving was issued on Tuesday March 18, 2015 and closed on Wednesday, April 8, 2015;

NOW THEREFORE BE IT RESOLVED THAT Report TR-TAPS-36-15 being a report containing the tender results for RFT-TS-17-15 be received;

AND THAT RFT-TS-17-15 be awarded to E.C. King Contracting for a bid price of \$354,908.80, excluding HST;

AND THAT with a 10% contingency and 5% engineering and quality assurance allowances added to the tender price, the revised estimated budget for this project is \$415,328.47;

AND THAT the shortfall of \$131,270.47 be funded as per TR-TAPS-45-15 Construction, Resurfacing and Minor Capital Budget update report.

Background

The tender for the Grey Road 12 Hot Mix Paving was posted on the County of Grey's website from Wednesday March 18, 2015 until Wednesday April 8, 2015.

Currently this section of Grey Road 12 has one course of hot mix and is in reasonable condition; however, distresses such as cracking and deformation have started.

By placing an overlay at this time it eliminates the need to reconstruct the road at a much higher cost in the next few years.

The lining of culverts is also included in the contract.

The original project cost was estimated using 2014 construction prices. With the significant drop in oil prices, it was felt that this was a very conservative estimate; however, the unit price for hot mix has increased resulting in this tender being over the estimated budget.

The bid summary is listed below:

RFT-TS-17-15 Grey Road 12 Hot Mix Paving (2.88 km).

Name of Bidder	Total Bid Amount (excluding taxes)
E.C. King Contracting	\$354,908.80
Harold Sutherland Construction	\$392,044.81

It is recommended to award RFT-TS-17-15 to E.C. King Contracting in the amount of \$354,908.80 excluding HST.

Financial / Staffing / Legal / Information Technology Considerations

The chart below identifies the total tender approved costs. Funding sources include the gas tax. It is recommended that the shortfall be obtained from the surplus in the construction, resurfacing and minor capital budget.

As projects are tendered this year, the individual budgets will be adjusted to ensure the overall budget is not exceeded.

Item	Excluding HST	Net HST
Approved Project Budget		\$284,058.00
Funding - gas tax		(\$100,000.00)
Awarded Tender Amount	\$354,908.80	\$361,155.19
Contingency (10%)		\$36,115.52
Engineering and quality assurance (5%)		\$18,057.76
Total Tender Projected Costs		\$415,328.47
Project Deficit		(\$131,270.47)

Link to Strategic Goals / Priorities

The values statement of the approved Corporate Strategic Plan includes fiscal responsibility. Consistent application of the purchasing policy requirements focuses on the commitment to ensure effective and efficient processes, which offer prudent use of public funds.

Respectfully submitted by,

M.J. Kelly
Director of Transportation Services