

## Report TR-TAPS-37-15

**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-21-15 Grey Road 18 Hot Mix Paving  
**Status:** Recommendation adopted by Committee as presented per Resolution TAPS69-15; Endorsed by County Council May 5, 2015 per Resolution CC67-15;

### Recommendation(s)

**WHEREAS** the 2015 budget for the Grey Road 18 project was \$771,987, with the proposed work consisting of placing a preventative maintenance hot mix overlay, design, tendering, construction inspection, and quality assurance;

**AND WHEREAS** RFT-TS-21-15 for Grey Road 18 Hot Mix Paving was issued on Tuesday March 3, 2015 and closed on Wednesday, March 25, 2015;

**NOW THEREFORE BE IT RESOLVED THAT** Report TR-TAPS-37-15 being a report containing the tender results for RFT-TS-21-15 be received;

**AND THAT** RFT-TS-21-15 be awarded to E.C. King Contracting for a bid price of \$685,604.10, 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 \$802,321.34;

**AND THAT** the shortfall of \$30,334.34 be funded as per TR-TAPS-45-15 Construction, Resurfacing and Minor Capital Budget update report.

### Background

The tender for the reconstruction of Grey Road 18 was posted on the County of Grey's website from Tuesday March 3, 2015 until Wednesday March 25, 2015.

Currently this section of Grey Road 18 is surface treated and in good condition; however, the surface treatment has begun to crack and ravel at the edges.

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.

For safety reasons, culvert and guiderail installations are also included in the project.

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-21-15 Grey Road 18 Hot Mix Paving (6.8 km)

<b>Name of Bidder</b>	<b>Total Bid Amount (excluding taxes)</b>
<b>E.C. King Contracting</b>	<b>\$685,604.10</b>
Harold Sutherland Construction	\$748,291.67

It is recommended to award RFT-TS-21-15 to E.C. King Contracting in the amount of \$685,604.10 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.

<b>Item</b>	<b>Excluding HST</b>	<b>Net HST</b>
<b>Approved Project Budget</b>		<b>\$771,987.00</b>
Funding - gas tax		(\$542,000.00)
Awarded Tender Amount	\$685,604.10	\$697,670.70
Contingency (10%)		\$69,767.07
Engineering and quality assurance (5%)		\$34,883.54
<b>Total Tender Projected Costs</b>		<b>\$802,321.34</b>
Project Deficit		<b>(\$30,334.34)</b>

## 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