

## Report TR-TAPS-53-15

**To:** Chair Barfoot and Members of the Transportation and Public Safety Committee  
**From:** Patrick Hoy, Engineering Manager Services and Sharon Melville, Buyer  
**Meeting Date:** June 18, 2015  
**Subject:** Award of RFT-TS-22-15 Grey Road 3 Pulverize and Hot Mix Paving  
**Status:** Recommendation adopted by Committee as presented per Resolution TAPS95-15; Endorsed by County Council July 7, 2015 per Resolution CC96-15;

### Recommendation(s)

**WHEREAS** the 2015 budget for the Grey Road 3 project was \$1,150,000, the proposed work consists of pulverizing and paving, culvert replacements, design, tendering, construction inspection, and quality assurance;

**AND WHEREAS** the proposed length of work of 6.3km has been modified to include an additional 3.7km south of Ayton at an estimated cost of \$560,000 as per TR-TAPS-45-15;

**AND WHEREAS** RFT-TS-22-15 for Grey Road 3 Pulverize and Hot Mix Paving was issued on Thursday May 14, 2015 and closed on Wednesday, June 3, 2015;

**NOW THEREFORE BE IT RESOLVED THAT** Report TR-TAPS-53-15 being a report containing the tender results for RFT-TS-22-15 be received;

**AND THAT** RFT-TS-22-15 be awarded to The Murray Group for a bid price of \$1,923,726.14, 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 \$2,249,528.40;

**AND THAT** the shortfall of \$539,528.40 be funded as per the funding chart as indicated in TR-TAPS-53-15;

**AND FURTHER THAT** if the anticipated savings noted in the funding chart are not realized, the shortfall will be drawn from the Transportation General Reserve.

### Background

The tender for the pulverize and hot mix paving of Grey Road 3 was posted on the County of Grey's website from Thursday May 14, 2015 until Wednesday June 3, 2015.

The proposed work originally included a 6.3km pulverize and pave from Victoria Street in Ayton to the Grey County Ayton depot with corresponding culvert replacements. A 220m section (minor capital project) from Grey Road 9 to Mary Street was also included in the original estimate. During the spring, it was determined that the surface treatment at the south end of Grey Road 3 had deteriorated and would require significant maintenance. This 3.5km section from the Minto-Normanby Townline to 1.5km north of Concession 6 was therefore included in the contract as per Report TR-TAPS-45-15 – 2015 Construction, Resurfacing and Minor Capital Budget Revision.

As with the majority of 2015 tenders, the two submitted bids included higher unit prices than previous years. The bid summary is listed below:

RFT-TS-22-15 Grey Road 3 Pulverize and Hot Mix Paving (10km).

<b>Name of Bidder</b>	<b>Total Bid Amount (excluding taxes)</b>
<b>The Murray Group</b>	<b>\$1,923,726.14</b>
Cox Construction	\$2,000,827.17

It is recommended to award RFT-TS-22-15 to The Murray Group in the amount of \$1,923,726.14, excluding HST.

## Financial / Staffing / Legal / Information Technology Considerations

The funding chart below identifies the total tender approved costs. Funding sources include the gas tax and the provincial OCIF grant. It is recommended that the shortfall be obtained from other sources as listed in the chart. If these anticipated savings are not realized, the shortfall will be drawn from the Transportation General Reserve.

### Project Funding

<b>Item</b>	<b>Excluding HST</b>	<b>Net HST</b>
<b>Approved Project Budget</b>		<b>\$1,710,000</b>
Funding - Gas tax		(\$665,830.00)
Funding – Provincial OCIF Grant		(\$324,515.00)
Awarded Tender Amount	\$1,923,726.14	\$1,957,583.72
Contingency (10%)	\$192,372.61	\$195,758.37
Engineering and quality assurance (5%)	\$96,186.31	\$96,186.31
<b>Total Tender Projected Costs</b>		<b>\$2,249,528.40</b>
Project Deficit		<b>(\$539,528.40)</b>

Item	Excluding HST	Net HST
<b>Funding Shortfall Allocation</b>		
Reallocated funds from the Construction Resurfacing and Minor Capital Cost Centre		\$250,385.76
Anticipated Contingency savings from active tenders		\$50,000.00
Anticipated Asphalt Cement Index Savings		\$100,000.00
Anticipated Bridge Maintenance Savings		\$40,000.00
Culvert Inspection Program (Reduced from \$100,000) – Asset Management Budget		\$50,000.00
Minor Capital Surplus		\$49,142.64
<b>Total Funding Shortfall Allocation</b>		<b>(\$539,528.40)</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.

## Attachment

[TR-TAPS-45-15 2015 Construction, Resurfacing and Minor Capital Budget Revision](#)

Respectfully submitted by,

Patrick Hoy,  
Engineering Manager

Director Sign Off: *Michael Kelly, Director of Transportation Services*