

## Report TR-TAPS-31-15

**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-08-15 Grey Road 17 Pulverize and Hot Mix Paving  
**Status:** Recommendation adopted by Committee as presented per Resolution TAPS64-15; Endorsed by County Council May 5, 2015 per Resolution CC67-15;

### Recommendation(s)

**WHEREAS** the 2015 budget for the Grey Road 17 project was \$377,000, with the proposed work consisting of widening the platform, pulverizing and paving the surface, design, tendering, construction inspection, and quality assurance;

**AND WHEREAS** RFT-TS-08-15 for Grey Road 17 Pulverize and Hot Mix Paving was issued on Wednesday March 11, 2015 and closed on Wednesday, April 1, 2015;

**AND WHEREAS** the cost to complete this work will be approximately \$799,637.16, which is \$422,637.16 over the approved budget;

**NOW THEREFORE BE IT RESOLVED THAT** Report TR-TAPS-31-15 being a report containing the tender results for RFT-TS-08-15 be received;

**AND THAT** RFT-TS-08-15 not be awarded for financial reasons;

**AND THAT** this project be tendered in 2016 as per TR-TAPS-45-15 -Construction, Resurfacing and Minor Capital.

### Background

The tender for the reconstruction of Grey Road 17 was posted on the County of Grey's website from Wednesday March 11, 2015 until Wednesday April 1, 2015.

This project included pulverizing and paving the distressed hot mix surface that is cracked and distorted. In addition, the road platform was to be widened to accommodate paved shoulders.

The reasons for the cost exceeding the estimate could be contributed to the following:

- During design it was discovered that the work to widen the shoulders was more involved than initially planned.
- 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 treatment through the swamp area was more elaborate than originally estimated.

When the work is tendered in 2016, the design will be re-evaluated to determine if there is a more economical method of construction or tendering. Grey Road 170 in the area is scheduled for 2016 and releasing both projects in the same tender may take advantage of economies of scale.

This section of Grey Road 17 had minimal deterioration during the winter and as a result there will be minimal work required to maintain the road in 2015.

The bid summary is listed below:

RFT-TS-08-15 Grey Road 17 Reconstruction (2.1 km)

<b>Name of Bidder</b>	<b>Total Bid Amount (excluding taxes)</b>
<b>Harold Sutherland Construction</b>	<b>\$683,310.40</b>
E.C. King Contracting	\$691,461.14

## Financial / Staffing / Legal / Information Technology Considerations

The chart below identifies the lowest tender amount. Funding sources would have included the gas tax.

<b>2015 Project Budget</b>		
<b>Item</b>	<b>Excluding HST</b>	<b>Net HST</b>
<b>Approved Project Budget</b>		<b>\$377,000.00</b>
Funding - gas tax		(\$325,000.00)
Lowest Tender Amount	\$683,310.40	\$695,336.66
Contingency (10%)		\$69,533.67
Engineering and quality assurance (5%)		\$34,766.83
<b>Total Tender Projected Costs</b>		<b>\$799,637.16</b>
Project Deficit		<b>(\$422,637.16)</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