

Report TR-TAPS-33-15

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-10-15 Grey Road 9 Pulverize and Hot Mix
Status: Recommendation adopted by Committee as presented per Resolution TAPS66-15; Endorsed by County Council May 5, 2015 per Resolution CC67-15;

Recommendation(s)

WHEREAS the 2015 budget for the Grey Road 9 project was \$320,737, the proposed work consists of pulverizing and paving, design, tendering, construction inspection, and quality assurance;

AND WHEREAS RFT-TS-10-15 for Grey Road 9 Pulverize and Hot Mix was issued on Tuesday March 3, 2015 and closed on Wednesday, March 25, 2015;

NOW THEREFORE BE IT RESOLVED THAT Report TR-TAPS-33-15 being a report containing the tender results for RFT-TS-10-15 be received;

AND THAT RFT-TS-10-15 be awarded to The Murray Group Limited for a bid price of \$368,374.39, 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 \$431,086.45;

AND THAT the shortfall of \$110,349.45 be funded as per TR-TAPS-45-15 Construction, Resurfacing and Minor Capital Budget update report.

Background

The tender for the Grey Road 9 pulverize and hot mix was posted on the County of Grey's website from Tuesday, March 3, 2015 to Wednesday, March 25, 2015. The project also includes culvert and guiderail replacements.

Currently this surface of Grey Road 9 is cracked, potholing and distorted, and requires constant maintenance.

The proposed work includes pulverizing and paving the existing surface to minimize maintenance costs and improve the safety of the road.

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-10-15 Grey Road 9 Pulverize and Hot Mix (2.4 km).

Name of Bidder	Total Bid Amount (excluding taxes)
The Murray Group Limited	\$368,374.39
Harold Sutherland Construction	\$374,032.05
Cox Construction Ltd.	\$385,022.98

It is recommended to award RFT-TS-10-15 to The Murray Group Limited in the amount of \$368,374.39 excluding HST.

Financial / Staffing / Legal / Information Technology Considerations

The chart below identifies the total tender approved costs. Funding sources include 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		\$320,737.00
Funding - gas tax		(\$80,000)
Awarded Tender Amount	\$368,374.39	\$374,857.78
Contingency (10%)		\$37,485.78
Engineering and quality assurance (5%)		\$18,742.89
Total Tender Projected Costs		\$431,086.45
Project Deficit		(\$110,349.45)

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