

DATE: April 17, 2023

REPORT NO: PW-11-2023

SUBJECT: **2023 Road Rehabilitation Project Tender Award (PW 2023-01) - Budget Amendment BA2023-01**

CONTACT: Ray Vachon, C.E.T. - Project Manager
Mike DiPaola, P. Eng. - Director of Public Works & Recreation

OVERVIEW:

- In March 2023, Council approved the 2023 Capital Budget that included \$2,570,000.00 for the 2023 Road Rehabilitation project.
- Staff circulated a Tender on March 23, 2023, with four (4) tender submissions received on the closing date of April 6, 2023.
- A low bid in the amount of \$2,112,150.00 (excluding HST) was received from Walkers Construction Limited.
- Staff recommends awarding the contract to Walkers Construction Limited.
- Staff recommends that Budget Amendment BA2023-01 be approved to re-allocate funding to complete extra work on Young Street and Concession 4 at an estimated cost of \$208,000.00 (excluding HST), based on the unit prices submitted by the low bidder.
- Staff recommends a project contingency allowance in the amount of \$205,400.32 which represents approximately 8% of the total project expenditures.

RECOMMENDATION:

1. THAT, Recommendation Report PW-11-2023, re: “2023 Road Rehabilitation Project Tender Award (PW 2023-01) – Budget Amendment BA2023-01”, dated April 17, 2023, be received; and,
2. THAT, Council award the tender submission to Walkers Construction Limited for the road rehabilitation work, in the amount of \$2,112,150.00 (excluding HST); and,
3. THAT a project contingency allowance in the amount of \$205,400.32 be provided for this project; and,
4. THAT, Budget Amendment BA2023-01, as outlined in Appendix C, to reallocate the budgeted expenditures and financing for the five road projects included in this tender, along with the extra work on Young Street (South Grimsby Rd 10 to Grimsby Road) and Concession 4 (Rosedene Rd to Hodgkins Rd), at an estimated cost of \$208,000.00 (excluding HST) based on the unit prices submitted by the low bidder, be approved; and,

5. THAT, a by-law be passed to authorize the Mayor and Clerk to enter into an agreement with Walkers Construction Limited.

ALIGNMENT TO STRATEGIC PLAN:

Theme # 1

- **Strong Transportation Connections** – Building safe, connected and well maintained infrastructure networks.

BACKGROUND:

As part of the Roads Needs Study and the approved 2023 Capital Budget, the following roads were included in the 2023 Road Rehabilitation Program:

- **Concession Rd 4** from Victoria Rd (RR 20) to Rosedene Rd.
- **Concession 3 Rd** from Smithville Rd (RR 14) to Caistor Centre Rd.
- **Young St.** from South Grimsby Rd 10 to Grassie Rd.
- **Industrial Park Rd** from Rail tracks to Spring Creek Rd.
- **Vaughan Road** from Wellandport Rd (RR 27) to Caistor-Gainsborough Townline Rd.

Please refer to the Appendix A for the locations and key plan for the above roads included in this year's program.

CURRENT SITUATION:

On March 23, 2023, staff circulated a tender document on the Township's Bidding System; Bids & Tenders. On the closing date of April 6, 2023, four (4) tenders were received and opened.

All four (4) submissions were checked for completeness, accuracy and arithmetic correctness. All extensions and the totals for all tenders were checked and there were no errors found. The tender bid submissions are as follows, in alphabetical order:

Company	Tender Price (excl. HST)
Circle P Paving Inc.	\$2,207,062.50
CRL Campbell Construction and Drainage	\$3,192,712.25
Steed and Evans Limited	\$2,949,300.00
Walkers Construction Limited	\$2,112,150.00

The low bidder Walkers Construction Limited and their subcontractors, have experience completing similar works in other Niagara municipalities. The lowest bidder is capable of successfully completing this project.

Due to the preferable tender pricing, the project as tendered is under budget by approximately \$250,000.00. Staff is recommending that these remaining funds be used to extend the work on Young Street from South Grimsby Rd 10 to Grimsby Road (RR12), and extend work on Concession 4 Rd from Rosedene Rd to Hodgkins Rd.

This extra work extends our 2023 Road Rehabilitation program an extra 2.7 kms and is shown in Appendix A.

The costs for each proposed road section was determined, including the tender's general items, provisional items, net HST, and geotechnical construction testing by prorating to each road's respectful budget account. These cost splits are summarized in Appendix B.

Based on this low tender submitted Walkers Construction Limited, the Township's proposed total cost for this project is itemized below:

Tender Cost (excluding HST)	\$ 2,112,150.00
Extra Work (excluding HST)	\$ 208,000.00
Project Contingency (approx. 9%)	\$ 205,400.32
Non-Recoverable HST	\$ 44,449.68
Total Estimated Cost:	\$ 2,570,000.00

FINANCIAL IMPLICATIONS:

The approved 2023 capital budget amounts for this project are summarized below:

Road Description	Budget
Concession Road 4	\$ 250,000.00
Concession 3 Road	\$ 460,000.00
Young Street	\$ 280,000.00
Industrial Park Road	\$ 380,000.00
Vaughan Road	\$1,200,000.00
Total	\$2,570,000.00

The total estimated project cost is within the approved budget of \$2,570,000.00. In addition, the expenditures per the tender fall within the allocated budget amounts for each road.

Staff are requesting approval of Budget Amendment BA2023-01 which reallocates the budgeted expenditure and funding amounts based on the results of the tender. It is important to note that this budget amendment is not a request for additional funds; it is simply reallocating the approved budgetary funding to complete the extra sections of Young St. and Concession 4 Rd. Details can be found in Appendix C.

INTER-DEPARTMENTAL COMMENTS:

This report was reviewed by the Deputy Treasurer/Manager of Finance, CAO, and the Clerks Department.

CONCLUSION:

In summary, staff recommends that this contract be awarded to the low bidder, Walkers Construction Limited at their bid price of \$2,112,150.00 (excluding HST).

In addition, staff recommend that the remaining budget be used to extend the work on Young St and Concession 4 Rd estimated at 208,000.00 (excluding HST), based on the unit prices submitted by the low bidder; that a project contingency allowance in the amount of \$205,400.32 be included for this project, for a total project cost of \$2,570,000.00. Additionally, Staff recommend that Budget Amendment (BA2023-01) to re-allocate funds, be accepted.

Staff further recommends that a by-law be adopted authorizing the Mayor and Clerk to enter into an agreement for contract with Walkers Construction Limited for the 2023 Road Rehabilitation construction project as outlined above.

ATTACHMENTS:

APPENDIX A – 2023 Road Rehabilitation Location Plan

APPENDIX B – 2023 Prorated Account Splits

APPENDIX C – Impact to Budget – Budget Amendment BA2023-01

Prepared & Submitted by:



Ray Vachon, C.E.T.
Project Manager

Approved by:



Bev Hendry
CAO



Mike DiPaola, P. Eng.
Director of Public Works & Recreation