

**DATE:** April 13, 2026  
**REPORT NO:** I-08-2026  
**SUBJECT:** **2026 Road Rehabilitation Project Tender Award (INF 2026-01) - Budget Amendment BA2026-07**  
**CONTACT:** Ray Vachon, C.E.T. – Manager, Capital Design and Delivery

**OVERVIEW:**

- In January 2026, Council approved the 2026 Capital Budget that included \$1.15 million for the 2026 Road Rehabilitation project.
- Staff circulated a Tender on February 6, with two (2) tender submissions received by the closing date of February 24, 2026.
- A low bid in the amount of \$805,643.00 (excluding HST) was received from Walker Construction Limited
- Administration recommends awarding the contract to Walker Construction Limited
- The total project expenditures are estimated at \$900,000.00, which represents the low bid from Walker Construction Limited, a project contingency allowance, and net HST.
- Administration recommends that Budget Amendment BA2026-07 be approved, to reflect the project budget reduction of \$250,000.00 from Capital Reserves being reduced.

**RECOMMENDATION:**

1. That Recommendation Report I-08-2026, titled “2026 Road Rehabilitation Project Tender Award (INF 2026-01) – Budget Amendment BA2026-07”, dated April 13, 2026, be received; and,
2. That the tender submission be awarded to Walker Construction Limited for the 2026 Road Rehabilitation work, in the amount of \$805,643.00 (excluding HST); and,
3. That the total project expenditure of \$900,000.00 be approved for this project; and,
4. That budget amendment BA2026-07 reflecting a project budget reduction of \$250,000.00, with reduced funding from the Capital Reserve, be approved; and,
5. That a by-law to authorize the Mayor and Clerk to enter into an agreement with Walker Construction Limited be passed.

**ALIGNMENT TO STRATEGIC PLAN:**

**BUILD** - a safe, connected, caring and active community.

**BACKGROUND:**

As part of the Township Pavement Management System and the approved 2026 Capital Budget, the following roads were included in the 2026 Road Rehabilitation Program:

- Twenty Road from Range Rd 2 to South Grimsby Road 8.
- South Grimsby Road 8 from Twenty Rd to RR 20.

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

**CURRENT SITUATION:**

On February 6, Administration circulated a tender document on the Bids & Tenders Bidding System. On the closing date of February 24, two (2) tenders were received and opened.

All 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:

| <b>Company</b>               | <b>Tender Price<br/>(excl. HST)</b> |
|------------------------------|-------------------------------------|
| Circle P Paving Inc.         | \$894,682.00                        |
| Walkers Construction Limited | \$805,643.00                        |

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

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

|                              |                      |
|------------------------------|----------------------|
| Tender Bid (excluding HST)   | \$ 805,643.00        |
| Project Contingency          | \$ 78,790.96         |
| Non-Recoverable HST          | \$ <u>15,566.04</u>  |
| <b>Total Estimated Cost:</b> | <b>\$ 900,000.00</b> |

**FINANCIAL IMPLICATIONS:**

The approved 2026 capital budget amounts for this project are summarized below:

| <b>Road Description</b>             | <b>Budget</b> |
|-------------------------------------|---------------|
| Twenty Road (Project 1190)          | \$ 450,000.00 |
| South Grimsby Road 8 (Project 1286) | \$ 700,000.00 |

|              |                        |
|--------------|------------------------|
| <b>Total</b> | <b>\$ 1,150,000.00</b> |
|--------------|------------------------|

The total estimated project cost is within the approved budget of \$1,150,000.00. In addition, the expenditures per the tender are within the allocated budget amounts for each road. Refer to Schedule B for the prorated account splits for the budgeted funding for this project.

Given that the total project cost of \$900,000.00 is lower than the project budget of \$1,150,000.00, Administration is requesting approval of Budget Amendment BA2026-07. This Budget Amendment will reflect a reduction in the project cost of \$250,000.00, along with a reduction in the required funding from the Capital Reserve of \$250,000.00. Details of this can be found on Schedule C.

In the past, when roadwork project costs were lower than the approved budget, Administration recommended to Council to reallocate the remaining budget funds to complete additional roadworks. However, given the significant pressure that the Township's Capital Reserve is under in years 2027 through to 2029, and to ensure the Township remains fiscally responsible and sustainable, this approach is not recommended for the 2026 Road Rehabilitation project.

Instead, Administration is recommending that the savings of \$250,000.00 are returned to the Capital Reserve, rather than being reallocated. This will have a positive impact on this reserve and the Township. The above noted savings of \$250,000.00 should help to keep the reserve in a more positive balance, which is critical for sufficient cash flows and to prevent the Township's need to require temporary borrowing and incur borrowing costs.

**INTER-DEPARTMENTAL COMMENTS:**

This report was reviewed by the Director, Corporate Services/CFO, CAO, and the Clerks Department.

**CONCLUSION:**

Administration recommends that this contract be awarded to the low bidder, Walker Construction Limited at their bid price of \$805,643.00 (excluding HST), with a total estimated project cost of \$900,000.00.

In addition, Council is asked to approve Budget Amendment (BA2026-07) to reflect a reduction in the capital project costs by \$250,000.00, with reduced funding required from the Capital Reserve.

Administration further recommends that a by-law be adopted authorizing the Mayor and Clerk to enter into an agreement for contract with Walker Construction Limited for the 2026 Road Rehabilitation construction project as outlined above.

**ATTACHMENTS:**

**SCHEDULE A – 2026 Road Rehabilitation Project Location Plan**

**SCHEDULE B – Prorated Account Splits**

**SCHEDULE C – Impact to Budget – Budget Amendment BA2026-07**

**Bylaw 2026-XX to Authorize an Agreement with Walker Construction Limited**

**Prepared & Submitted by:**

**Ray Vachon, C.E.T.**

Manager, Capital Design and Delivery

**Mike DiPaola, P. Eng.**

Director, Infrastructure

**Approved by:**

**Truper McBride**

CAO