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**Subject:** Tender Award of 2022 Strengthening and Resurfacing Program - Part 2  
No. 2022-T-92

**Report to:** Public Works Committee

**Report date:** Tuesday, August 9, 2022

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## Recommendations

1. That Contract 2022-T-92, 2022 Annual Roads Strengthening and Resurfacing Program – Part 2, **BE AWARDED** to the lowest compliant bidder, Walker Construction Ltd., at their bid price of \$7,282,210.58 (including 13% HST; excluding Provisional Sections 6, 7, 8, 9, 10 and 11).

## Key Facts

- The purpose of this report is to seek Council approval on the award of Tender 2022-T-92, 2022 Annual Roads Strengthening and Resurfacing Program – Part 2, to the lowest compliant bidder, Walker Construction Ltd.
- A Request for Tender publically posted on June 13, 2022, closed on July 7, 2022 with a total of three (3) bid submissions, one of which was disqualified. The lowest compliant submission received was from Walker Construction Ltd., in the total tendered amount of \$8,128,500 (excluding taxes).
- As staff are not recommending awarding the Provisional Sections 6, 7, 8, 9, 10 and 11 at this time due to available budget remaining, this results in an award in the total amount of \$6,444,434.14 (excluding taxes).
- In accordance with Schedule B of the Niagara Region Procurement By-law 02-2016 as amended on February 28, 2019, Council approval is required for all awards valued in excess of \$5,000,000 excluding taxes.
- During the 2022 budget deliberations, the 2022 Annual Roads Strengthening and Resurfacing Program was approved at a budgeted value of \$12,500,000. The business case identified that 2022 road section candidate selection would be based on the updated 2021 Pavement Management Study and that staff would also recommend a list of provisional road sections that may be added to the program should surplus funding be realized through the competitive bid process.

## **Financial Considerations**

In 2022, Council approved a budget for 20001618 (2022 Annual Roads Strengthening and Resurfacing Program) of \$12,500,000 including construction, engineering, inspection and internal staff time.

The Investing in Canada Infrastructure Program (ICIP) is a cost-shared infrastructure funding program between the federal government, provinces and territories, and ultimate recipients. Niagara Region received approval for \$300,000 grant funding from this program applied to project 20001347 to implement Complete Streets on Regional Road 38 (Martindale Road) under the 2022 Strengthening and Resurfacing Program – Part 2.

Total combined project budget, including ICIP grant funding, is \$12,800,000.

The 2022 Annual Roads Strengthening and Resurfacing Program has been split into two parts (1 & 2, respectively).

Part 1 tender closed on May 26, 2022, with the lowest compliant bidder being Rankin Construction Inc., in the amount of \$4,942,925 (including 1.76% non-refundable HST). Part 2 candidates were reviewed against the remaining budget and tendered separately in June 2022, with the lowest compliant bidder, Walker Construction Ltd., at their total tendered price of \$6,557,856.18 (including 1.76% non-refundable HST); excluding Provisional Sections 6, 7, 8, 9, 10 and 11.

The works for both Part 1 and Part 2 will be completed within the approved budget allocation of \$12,500,000 (project 20001618) plus \$300,000 (project 20001347) for a total of \$12,800,000. Please refer to Appendix 1 for a full budget breakdown.

## **Analysis**

Funds were identified in the 2022 Capital Budget, Roads Rehabilitation-Roads Resurfacing. Staff initiated internal detailed reviews of the Transportation Pavement Condition Index to identify candidates for the 2022 Annual Roads Strengthening and Resurfacing Program and to prepare contract documents and drawings.

Regional Staff have continuously reviewed alternatives and construction processes to move the project along in a progressive manner with the least disruption to the surrounding residents and businesses.

A Request for Tender to obtain tenders for the 2022 Strengthening and Resurfacing Program - Part 2 was publically posted on June 13, 2022, closed on July 7, 2022 with three (3) electronic bid submissions received through the Bids & Tenders bidding system on Thursday July 7, 2022, two of which were deemed compliant with the requirements of Tender Number 2022-T-92. The total tendered amounts (excluding 13% HST; including all Program and Provisional Sections) are as follows (in ascending order):

Walker Construction Ltd.	\$	8,128,500
Brennan Paving	\$	9,222,576

This tendering process in the current market conditions suggests that the tendered unit prices submitted by the lowest compliant tenderer, Walker Construction Ltd., are competitive and compare favourably with the Region's estimate of \$6,309,120 (including 1.76% non-refundable HST). Staff recommends that the low tender submitted by Walker Construction Ltd. be accepted.

### **Alternatives Reviewed**

Niagara Region Transportation Engineering Staff completes a pavement condition index (PCI) that is reviewed annually. Resurfacing of roads is only sufficient until the roads have deteriorated beyond a recognized standard of fair quality, after such time full reconstruction of the road becomes more likely. Full road reconstruction is far greater in cost than road resurfacing; therefore, selecting roads at the appropriate time is essential to best management practices with regards to pavements.

The yearly Strengthening and Resurfacing program is a cost effective initiative to the longevity of our highly trafficked roads as road sections are fully resurfaced with additional spot repairs to base damages. The Niagara Region Strengthening and Resurfacing program spans the timing from operations maintenance to full road reconstruction and is one step in the full life cycle of asphalt pavements.

All roads have been reviewed for their adequacy for inclusion into the resurfacing program versus other means of road rehabilitations. Roads that are being resurfaced in the Part 2 contract can be viewed in Appendix 2.

Due to the above, the roads selected for this program must be resurfaced at this time to avoid further, more costly rehabilitation strategies. Further delay of resurfacing could result in full road reconstruction with higher budgeting and time impacts. This approach is consistent with the right treatment at the right time approach and ensures that rehabilitations are being conducted in the most cost efficient manner.

### **Relationship to Council Strategic Priorities**

Resurfacing is an essential part of maintaining the Region's road network, this vital program is very closely tied to strategic priority 1 "Moving people and goods". Region staff has put forward considerable effort to ensure that the Roads Resurfacing program is administered in a fashion that promotes the greatest impact to our road system and ensures that the budgeted dollars get spent as efficiently as possible. This efficiency results in our budget dollars going farther and providing a better experience for all modes of road users.

### **Other Pertinent Reports**

None

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#### **Recommended by:**

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This report was prepared in consultation with Frank Tassone, Associate Director Transportation Engineering, Michelle Rasiulis, Manager Purchasing Services, Dan Ane, Manager Program Financial Support, Brian McMahon, Program Financial Specialist, and reviewed by Carolyn Ryall, Director Transportation Services.

## **Appendices**

Appendix 1            Total Estimated Project Cost

Appendix 2            Listing of Regional Roads to be Resurfaced under Part 2