
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

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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Appendices

Appendix 1 Total Estimated Project Cost

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

PW 26-2022 Appendix A

Total Estimated Project Cost - 2022 Roads Strengthening and Resurfacing Program - Part 2

<u>Total Estimated Project Cost (20001618)*</u>	Council Approved Budget	Budget Increase/ Reallocation	Revised Council Approved Budget	Expended & Committed as of 07/12/22	Forecast	Budget Remaining
Project Element	(A)	(B)	(C) = (A) + (B)	(D)	(E)	(F) = (C)-(D)-(E)
(a) Construction						
i. 2022-T-23 2022 Strengthening and Resurfacing - Part 1	4,800,000	142,925	4,942,925	4,942,925	-	-
ii. 2022-T-92 2022 Strengthening and Resurfacing - Part 2**	7,200,000	(850,482)	6,349,518	-	6,349,518	-
(b) Project Contingency	350,000	(192,444)	157,556	-	157,556	-
(c) Consulting Engineering Services						
i. Contract Administration & Inspection	-	600,000	600,000	583,173	16,827	-
ii. Geotechnical Service-Quality Control	-	200,000	200,000	119,314	80,686	-
(d) Project Management (In-House) and Operations	150,000	100,000	250,000	87,019	162,981	-
Total Estimated Project Cost (20001618)	12,500,000	-	12,500,000	5,732,432	6,767,568	-
<u>Total Estimated Project Cost (20001347)*</u>						
(a) Construction						
i. 2022-T-23 2022 Strengthening and Resurfacing - Part 1	-	-	-	-	-	-
ii. 2022-T-92 2022 Strengthening and Resurfacing - Part 2**	300,000	(90,000)	210,000	-	208,338	1,662
(b) Project Contingency	-	90,000	90,000	-	91,662	(1,662)
Total Estimated Project Cost (20001347)	300,000	-	300,000	-	300,000	-
Total Estimated Project Cost Combined	12,800,000	-	12,800,000	5,732,432	7,067,568	-

*All costs include 1.76% non-refundable HST.

** Total Contract Award is equal to i) \$6,444,434.14 before tax; ii) \$6,557,856.18 including 1.76% non-refundable HST; \$7,282,210.58 including 13% HST.

Listing of Regional Roads to be Resurfaced Under Part 2

Proposed Program Locations:

City of Port Colborne

- Regional Road 3 (Main Street East) from Barber Drive to Highway 140

City of St. Catharines

- Regional Road 38 (Martindale Road) from Regional Road 87 (Lakeshore Road West / Main Street) to J.R. Stork Bridge

City of Welland

- Regional Road 41 (Woodlawn Road) from Seaway Drive to Bridge

Township of West Lincoln

- Regional Road 20 (Highway 20) from Caistor Centre Road to Regional Road 12 (Grimsby Road)

Provisional Locations:

City of Fort Erie

- Regional Road 116 (Stevensville Road) from Eagle Street to Regional Road 25 (Netherby Road)

City of St. Catharines

- Regional Road 89 (Glendale Avenue) from Regional Road 69 (Pelham Road) to Jacobson Avenue

Township of West Lincoln

- Regional Road 27 (Wellandport Road) from Vaughan Road to Elcho Road