



SUBJECT: ES-22-11 Tender Award, South Service Road Renewal
TO: Environment, Infrastructure & Community Services Cttee.
FROM: Engineering Services Department

Report Number: ES-25-22

Wards Affected: 5

File Numbers: 570.02-1017

Date to Committee: June 9, 2022

Date to Council: June 21, 2022

Recommendation:

Award the tender for contract ES-22-11 South Service Road Renewal to King Paving & Construction Ltd. for \$1,776,623.29 including HST; and

Authorize the Manager of Procurement Services to issue an internal purchase order; and

Authorize the City Clerk to prepare the debenture by-law; and

Authorize the Mayor and City Clerk to sign any required agreements with the bidder named above, subject to the satisfaction of the Executive Director of Legal Services and Corporation Counsel; and

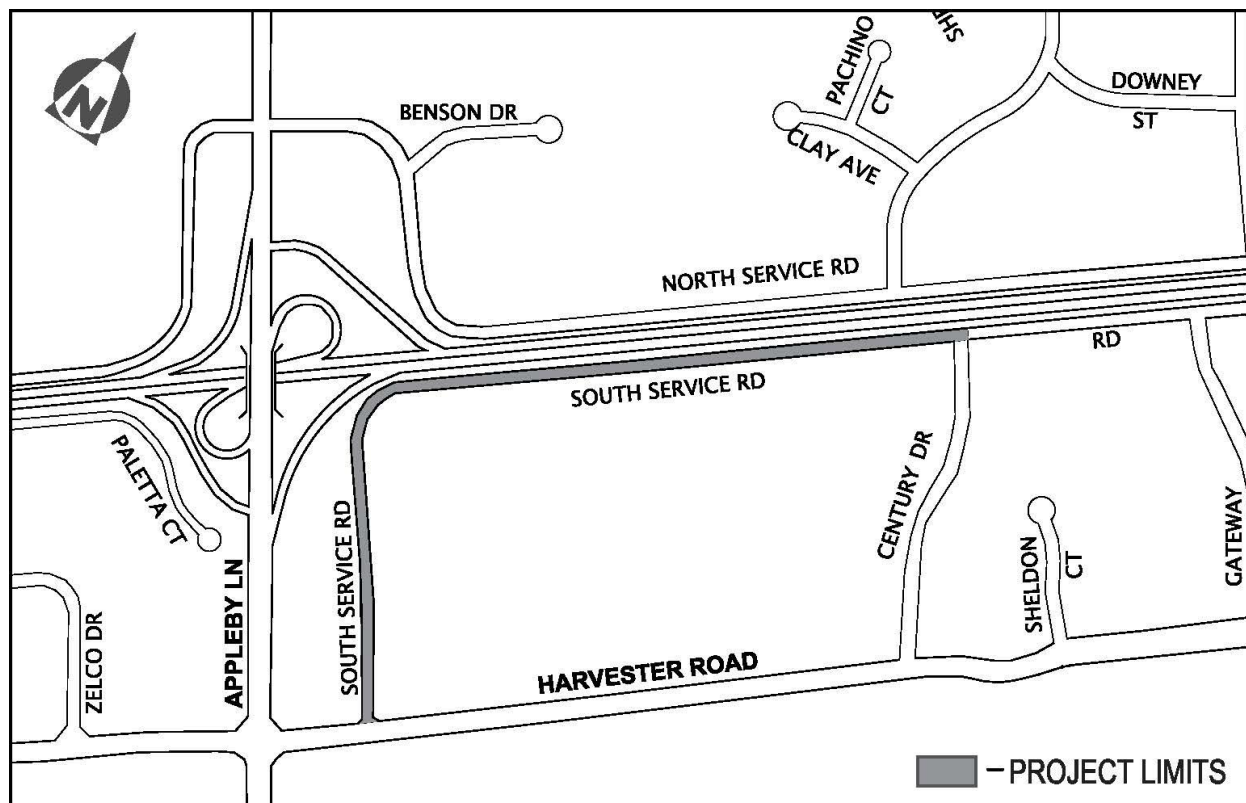
Approve the total cost of \$2,077,000 (Net HST) to be charged to Capital Order RA0251 and funded as outlined in the financial matters section of engineering services department report ES-25-22.

PURPOSE:

Vision to Focus Alignment:

- Improve integrated city mobility

Background and Discussion:



The South Service Road Renewal project will replace the existing deteriorated asphalt surface with a new full depth asphalt pavement surface, as well as provide a new concrete sidewalk. The storm drainage system will be improved by adding several catchbasins and ditch inlets along the roadway corridor to manage surface water runoff. The existing streetlights at the South Service Road and Harvester Road intersection will be replaced with high performance and energy efficient LED Luminaires. This project will improve the quality of vehicular transportation and connectivity of the City's pedestrian network in alignment with the Integrated Mobility Plan.

Construction is anticipated to start in June and be completed in November 2022.

Procurement Information:

Advertised / Issue Date:	April 27, 2022
Advertised Methods(s):	<input checked="" type="checkbox"/> Bid & Tenders, <input type="checkbox"/> Other (specify)
Closing Date:	May 13, 2022
Number of Bids Received:	7
Total Number of Compliant bids:	7

Bid Results:

The contract is awarded to the lowest compliant bidder (named first).

No.	Name of Company	Total Bid including HST
1.	King Paving & Construction Ltd.	\$ 1,776,623.29
2.	Gazzola Paving Limited	\$ 1,995,791.31
3.	Graham Bros. Construction Limited	\$ 2,190,972.18
4.	Four Seasons Site Development	\$ 2,237,914.15
5.	PAVE-AL LIMITED	\$ 2,314,837.21
6.	Associated Paving & Materials Ltd.	\$ 2,368,535.94
7.	Coco Paving Inc.	\$ 2,646,732.33

Financial Matters:

The following table presents a summary of the estimated project costs:

	Project Budget	Tender Award
Contracted Construction		
Contracted Construction	\$ 1,361,864	\$ 1,572,233
HST (1.76%)	\$ 23,969	\$ 27,671
Subtotal Contracted Construction (Net HST)	\$ 1,385,833	\$ 1,599,904
Construction Contingency	\$ 138,583	\$ 157,223
Asphalt Cement Adjustment	\$ 10,000	\$ 25,000
Total Contracted Construction	\$ 1,534,416	\$ 1,782,127
Internal Costs		
Administration	\$ 85,000	\$ 85,000
Design Services	\$ 80,000	\$ 80,000
Inspection	\$ 60,000	\$ 60,000
Total Internal Costs	\$ 225,000	\$ 225,000
External Costs		
Consulting Services	\$ 35,000	\$ 35,000
Tender & Advertising	\$ 15,000	\$ 15,000
Construction Material Testing	\$ 10,000	\$ 10,000
Licensing & Permits	\$ 10,000	\$ 10,000
Total External Costs	\$ 70,000	\$ 70,000
Total Internal & External Costs	\$ 295,000	\$ 295,000
Total Project Costs (Rounded)	\$ 1,829,000	\$ 2,077,000

Asphalt Cement Adjustment

A primary component in the manufacturing of asphalt is liquid asphalt cement (LAC). Contractors base their tender bids for asphalt based on the Ministry of Transportation of Ontario's Liquid Asphalt Price Index. The purchase price for LAC is expected to be extremely volatile over this coming construction seasons due to global issues. The current price for LAC is \$1,156.00 /tonne.

The City of Burlington, as well as the MTO and many other municipalities have adopted a policy of adjusting the price paid for asphalt to the current price index for LAC at the time of tender. The adjustment is made at the time when the asphalt is placed. This policy creates market fairness for all contractors during the tendering process.

The price for LAC may climb as high as **\$1,350 /tonne** during the time frame when the paving will occur for this project, resulting in an overall increase in the cost of asphalt placed on this project of \$25,000. This amount has been included in the overall project estimate as noted above.

Total Financial Impact

The post budget geotechnical investigation indicated that a more extensive rehabilitation treatment was required involving partial replacement of the granular road base which was not included in the original estimate. In addition, the rising cost in asphalt cement due to the volatile global market has contributed to the increase in the total project cost.

The additional funding will be provided from the Infrastructure Renewal Reserve Fund (\$248,000) and is available due to tender savings realized earlier in 2022.

Source of Funding

	Project Budget	Tender Award
City Funding Sources (RA0251)		
Gas Tax Reserve Fund	\$ 579,000	\$ 579,000
Debt Issue – Tax Supported	\$ 1,250,000	\$ 1,250,000
Additional City Funding		
Infrastructure Renewal Reserve Fund		\$ 248,000
Total City Funding Sources	\$ 1,829,000	\$ 1,829,000
Total Financing	1,829,000	\$ 2,077,000

Climate Implications

This project supports active transportation through the provision of a new sidewalk along the South Service Road extending from Harvester Road to Century Drive. It will form a key connection between local businesses along the South Service Road corridor and other transportation networks in the surrounding area including Burlington Transit and Metrolinx Go Transit. This new facility will create opportunity for pedestrians to use an alternative mode of transportation and can decrease reliance on the single occupancy vehicle, resulting in a reduction of vehicle emissions.

Engagement Matters:

The project team attended the Virtual Public Information Centre on March 7, 2022 to give a high level review of the project. Residents and business owners were notified by:

- Direct mail
- The City's project web page
- Advertisement in the Burlington Post
- The City of Burlington's Get Involved Burlington Calendar

The Public Information Center provided an overview on the following:

1. Review of the Proposed Asphalt resurfacing limits on South

- Service Road (from Harvester Road to Century Drive).
2. Review of the limits of proposed sidewalk improvements.
 3. Construction Schedule.
 4. Construction Budget.
 5. An opportunity for residents and business owners to ask questions and provide comments.

Upon award of this contract, letters will be delivered to affected businesses prior to the beginning of construction. As construction progresses, project updates will be delivered to affected businesses on a regular basis. The project updates and associated road restriction information will also be made available on the City's website.

Conclusion:

Staff recommend the award of the tender for contract ES-22-11, South Service Road Renewal to King Paving & Construction Ltd.

Respectfully submitted,

Chris Onishi

Project Manager

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Report Approval:

All reports are reviewed and/or approved by Department Director, the Chief Financial Officer and the Executive Director of Legal Services & Corporation Counsel.