

# Municipality of Lakeshore – Report to Council

## Operations

### Roads, Parks & Facilities



**To:** Mayor & Members of Council

**From:** Jeff Wilson, Division Leader – Roads, Parks & Facilities

**Date:** March 29, 2022

**Subject:** Tender Award – 2022 Gravel Conversion Program

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### Recommendation

Award the tender for the 2022 Gravel Conversion Program to Shepley Road Maintenance Ltd. in the amount of \$827,236.80 including applicable HST and approve \$130,000 including applicable HST from the budgeted amount to undertake field assessments on Lakeshore Road 111, as presented at the April 12, 2022 Council meeting.

### Background

In Council's Strategic Planning Session in 2021, the 10-year Gravel Conversion plan highlighted roadways that would require additional work in advance of gravel conversion taking place, likely taking more than one year to convert the roadway.

The plan identified Lakeshore Road 111 to be converted in 2022, however this roadway was highlighted as a roadway that would require additional work to proceed with gravel conversion. This additional work includes road widening, potential ditch enclosures and possible land acquisitions.

Based on the above, Lakeshore Road 243 was moved into the 2022 program (identified to be converted in 2023). This will allow for preliminary field investigations and confirmation of budget to complete Lakeshore Road 111 in 2023.

As such, the 2022 Gravel Conversion Program tender contained the five (5) amended road sections, also as shown on the attached map:

1. Lakeshore Road 115 From Rogers to County Rd 42 (Schedule A)
2. Luc's Lane in Stoney Point, Tecumseh Rd to South Limit (Schedule B)
3. Frontier Road from Kent Road 1 to Tecumseh Road (Schedule C)
4. North Middle Road from Myers to Lakeshore Road 123 (Schedule D)
5. Lakeshore Road 243 from South Middle Road to County Road 8 (Schedule E)

The request for tender for the 2022 Gravel Conversion Program was publicly advertised on Bids & Tenders on Tuesday January 11, 2022. The following two tenders were received prior to tender closing time on Friday, March 25, 2022:

<b>Tenderer</b>	<b>Price (excluding HST)</b>	<b>Price (including applicable HST)</b>
Shepley Road Maintenance Ltd.	\$812,929.25	\$827,236.80
Walker Construction Ltd.	\$1,048,526.20	\$1,066,980.26

The submitted tenders were reviewed and found to be complete. Shepley Road Maintenance Ltd. has completed our previous contracts and have the resources to complete the works.

### Comments

Council approved the budgeted amount of \$1,062,000.00 in 2022 for the Gravel Conversion Program.

Administration recommends the tender be awarded to Shepley Road Maintenance Ltd. in the tender amount of \$827,236.80, including applicable HST.

Further, Administration recommends that a portion of the budget in the amount of \$130,000 be allocated to complete field assessments and investigative work on Lakeshore Road 111 to be able to recommend conversion and identify sufficient costs in the 2023 budget.

### Financial Impacts

The financial breakdown for 2022 for the Gravel Conversion Program is shown in the table below.

	<b>2022 Budget</b>	<b>Tendered Cost (excluding applicable HST)</b>	<b>Tendered Cost (including applicable HST)</b>	<b>Difference (over)/under</b>
<b>Project Cost</b>	\$1,062,000.00	\$812,929.25	\$827,236.80	
<b>Lakeshore Road 111 investigation</b>		\$127,751.57	\$130,000.00	
<b>Project Total Cost</b>	\$1,062,000.00	\$940,680.82	\$957,236.80	\$104,763.20

As noted in the table above the tender for the 2022 Gravel Conversion program is within the overall total budget for the 5 road sections and the investigation of Lakeshore Road 111. The difference (under budget amount) will be placed back into reserve to assist with the conversion of Lakeshore Road 111 in 2023.

**Surface Treatment Tender – actual quantities:** The final costs for 2022 will be based on the actual amounts of emulsion and aggregate required to be used in the surface treatment process. The quantities contained in the Surface Treatment Tender specifications were estimates only. Should the actual quantities required to complete the 2022 surface treatment work differ from the estimated quantities, the actual cost will vary from the amount contained in the tender. As a result, the estimated under-expenditure may be higher or lower than shown above.

The Gravel Road Conversion Program is not a service level that is contemplated in the current Asset Management Plan. As such the long-term financial commitment of the program and ongoing operating cost for this level of service are not well defined in current budgets and long-range forecasting. Administration will be working to update the Asset Management Plan in 2022 and will have updated capital forecast to understand the long-term commitment of the enhanced service level.

## **Attachments**

Attachment A - 2022 Gravel Conversion map

## **Report Approval Details**

Document Title:	Tender Award - 2022 Gravel Conversion Program .docx
Attachments:	- Gravel Conversion Tender Map 2022.pdf
Final Approval Date:	Apr 6, 2022

This report and all of its attachments were approved and signed as outlined below:

Krystal Kalbol

Justin Rousseau

Kristen Newman

Truper McBride