

Municipality of Lakeshore – Report to Council

Operations

Roads, Parks & Facilities



To: Mayor & Members of Council
From: Jeff Wilson, Division Leader - Roads, Parks & Facilities
Date: April 14, 2022
Subject: Tender Award – 2022 Asphalt Roads Resurfacing Program

Recommendation

Award the tender for the 2022 Asphalt Road Resurfacing Program to Mill-Am Corporation in the amount of \$1,277,210.11, including applicable HST, with the excess amount of \$134,651.11 to be funded from the roads reserve (Option 1), as presented at the April 26, 2022 Council meeting.

Background

In the 2022 budget, Council approved a total of \$1,142,559.00 for the 2022 Lifecycle Asphalt Road Resurfacing Program.

The 2022 Lifecycle Asphalt Road Resurfacing Program included costs to complete eight (8) road sections as identified in the 5-year resurfacing program and two (2) roads from the 2021 resurfacing program (Taylor Avenue and Emerson Avenue), which were deferred due to the reconstruction of Main Street in Comber undertaken by the Ministry of Transportation (MTO). The 2022 program budget included a total of ten (10) roadways.

Geotechnical work was completed in late 2021 to confirm adequacy of the planned resurfaced roadways. The geotechnical results identified inadequate asphalt depth for both West Belle River Road and Cleophas Drive. Based on these results, the original proposed mill and pave approach will not be a sufficient level of rehabilitation for both these roadways and will require full depth asphalt removal, contributing to additional asphalt removal quantities and in turn, an increase in costs.

The 2022 Asphalt Road Resurfacing request for tenders included the following roads:

#	ROAD NAME	LENGTH (km)
1	Taylor Ave- from Main Street to County Road 46 (deferred from 2021)	1.001
2	Emerson Ave in Comber (deferred from 2021)	0.149
3	Terra Lou Drive - from George Crescent to Lambert Court	0.97
4	Lambert Court – from Terra Lou Drive to the South Limit	0.42
5	Fourth Street – from Broadway Street to Railway Ave	0.158
6	West Belle Rive Road – from Notre Dame to Parklane Drive	0.547
7	Cleophas Drive – from Morceri Crescent to Russell Woods Drive	0.119
8	Russel Woods Drive- from Cleophas Drive to Majestic Drive	0.106
9	Majestic Drive – from Russel Woods Drive to Cleophas Drive	0.226
10	Rochester Town Line – from Tecumseh Road to Lange Ave	0.304
Total Length		4.0 km

The request for tender for the 2022 Asphalt Road Resurfacing Program as outlined above was publicly advertised on Bids & Tenders on Monday March 7, 2022.

Comments

The following tenders were received prior to tender closing on Friday March 25, 2022:

Tenderer	Price (excluding HST)	Price (including applicable HST)
Mill – Am Corporation	\$1,255,120.00	\$1,277,210.11
Coco Paving Ltd.	\$1,441,426.50	\$1,466,795.61

The total tender price for the 2022 Asphalt resurfacing program \$1,277,210.11 (including applicable HST).

The budget approved for the 2022 Asphalt Road Resurfacing program is \$1,142,559.00. The total amount tendered would create a budget shortfall of **\$134,651.11** (including applicable HST).

Lakeshore’s tender documents include the following clause:

“Where Bids received exceed the Council Approved Budget for the Work, the Municipality reserves the right to negotiate with the Bidder providing the Best Value where, in the Municipality’s sole discretion, the changes required to achieve an acceptable Bid are of a minor nature and will not change the general nature of the Work. No Bidder shall have any rights against the Municipality arising from such discussions or negotiations” .

This clause is a reservation of Lakeshore’s right to negotiation to decrease the total tender price based on approved budget.

To remain within the 2022 budget (through the reduction of tender quantities) and based on the condition of the roadways identified in the 2022 Asphalt Roads Resurfacing Program, Russel Woods Drive and Majestic Drive would be required to be removed from the contract, deferring these roadways until 2023.

Administration is satisfied that the bidder with the lowest tender has the required equipment and labour expertise to undertake this project and recommends that Council award the above-noted work to Mill-Am Corporation.

Based on the foregoing, Administration recommends that Council award the tender to Mill-Am Corporation in the total tendered amount and in doing so would bring the Asphalt Road Resurfacing Program up to date at the end of 2022.

Financial Impacts

The financial impact has been summarized below:

2021 Asphalt Road Resurfacing Program Items	Total Cost	Budget
Tender Price - Mill Am Corporation	\$1,255,120.00	
Non-Refundable HST	\$22,090.11	
Approved Funding in the 2022 Asphalt Road Resurfacing Program		\$1,142,559.00
Total Approved Funding		\$1,142,559.00
Total Tendered Cost (including applicable HST)	\$1, 277,210.11	
Budget Shortfall (including applicable HST)		(\$134,651.11)

Based on the above budget shortfall, 2 options have been included below:

- 1) Option 1: Approve the total tender amount of \$1,277.210.11 (including applicable HST) whereby the financial impact is the excess amount of \$134,651.11, to be funded from the roads reserve;

OR

- 2) Option 2: Through negotiation, approve a reduction of the tender price to decrease the tender amount to \$1,133,423.23 (including applicable HST) which falls within the approved 2022 budget amount but would defer Russel Woods Drive and Majestic Drive from the program in 2022.

Attachments

Appendix A: Asphalt Roads Resurfacing Program 2022 Map

Report Approval Details

Document Title:	Tender Award – Asphalt Roads Resurfacing Program 2022.docx
Attachments:	- Tender Award - Asphalt Road Resurfacing Program 2022 Map.pdf
Final Approval Date:	Apr 21, 2022

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

Prepared by Jeff Wilson

Submitted by Krystal Kalbol

Approved by Justin Rousseau and Truper McBride