

NO: R015

COUNCIL DATE: January 25, 2010

REGULAR COUNCIL

TO: **Mayor & Council**

DATE: **January 21, 2010**

FROM: **General Manager, Engineering**

FILE: **2320-20(Road Restoration)**

SUBJECT: **Increase in Expenditure Authorization for Contract #1220-40-42-09
(Road Restoration)**

RECOMMENDATION

The Engineering Department recommends that Council approve an increase of \$295,300 in the expenditure authorization for Contract #1220-40-42-09 (Roadway Restoration) from \$224,700 (including GST) to \$520,000 (including GST).

INTENT

The purpose of this report is to seek Council approval for an increase in the expenditure authorization of Contract #1220-40-42 due to quantity increases in pavement restoration works found to be necessary after the original request for quotations was issued.

BACKGROUND

Contract 1220-40-42-09 was awarded to Imperial Paving Ltd. in April 2009 and involves the supply and delivery of labour and materials for minor road restoration works throughout the City for up to a three year period. The following is a list of the works that are included in this contract:

- Hot-Mix Pavement Patching (Permanent)
- Pavement Patching (interim / temporary)
- Concrete and Asphalt Sidewalk Construction
- Asphalt and Concrete Curb Replacement

At the time that quotes were requested, the contract quantities were estimated, since the design and alignments of the projects were not finalized at that time. Based on the average volume of similar work undertaken by the City in the last three (3) years, it was estimated that the work of the first year term of this contract would cost \$224,700.

Now that project designs have been completed for the first year of the contract, it has been established that the contract will cost more than the original estimates. The City could seek new quotes for this larger amount of work but risks contract price increases. Staff holds the view that the unit prices submitted by Imperial Paving represent good value for the City and the City should expand the scope of the contract with Imperial Paving.

The City also has an option to extend this contract for two (2) additional twelve (12) month periods at the same unit rates. It is anticipated that extending the contract for the additional years would result in additional savings to the City as the quote from Imperial Paving was obtained during the softer economy of 2009 when average prices were lower. This will be fully evaluated at the end of the first 12 month period.

QUOTATION RESULTS

Quotations for Contract #1220-40-42-09 were received on April 16, 2009. The City received six (6) quotations with the following results:

<i>Contractor</i>	<i>Quotation Amount</i>	<i>Adjusted Quotation Amount</i>	<i>New Estimated Contract Amount</i>
1. Imperial Paving Ltd.	\$281,994.47	\$224,700	\$520,000
2. Cityscape Roadworks Ltd.	\$302,429.00	\$275,700	\$638,000
3. Grandview Blacktop Ltd.	\$304,367.86	\$383,300	\$887,000
4. Lafarge Canada Ltd.	\$344,263.65	\$285,900	\$661,600
5. Keywest Asphalt Ltd.	\$369,147.11	\$450,800	\$1,043,200
6. Winvan Paving Ltd.	\$374,355.50	\$399,700	\$925,000

All of the above-quoted amounts include GST. The new estimated contract amounts represent the currently projected quantities at the unit prices that were submitted through the original quotation process.

EVALUATION

Staff evaluated the submissions and determined that Imperial Paving had the lowest rates for the majority of the Pavement Patching (Permanent) items and the lowest overall price for the projects included in the first year of the contract. Imperial Paving Ltd. also met all of the requirements and specifications of the quotation request.

FUNDING

Funding for this contract is available in the approved 2010 Budget.

CONCLUSION:

Based on the above discussion, it is recommended that Council approve an increase of \$295,300 to \$520,000 (including GST) in the expenditure authorization for Contract #1220-40-42-09 (Roadway Restoration) that has been awarded to Imperial Paving.

Vincent Lalonde, P.Eng.
General Manager, Engineering

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