

NO: R164

COUNCIL DATE: July 23, 2018

## REGULAR COUNCIL

TO: **Mayor & Council** DATE: **July 19, 2018**

FROM: **General Manager, Engineering** FILE: **1714-059-31**

SUBJECT: **Award of Contract No. 1714-059-31  
168 Street and Highway 10 Intersection Improvement**

## RECOMMENDATION

The Engineering Department recommends that Council:

1. Award Contract No. 1714-059-31 to All Road Construction Ltd. (“All Road”) in the amount of \$1,977,511.99, (including GST), for intersection improvements at 168 Street and Highway 10;
2. Set the expenditure authorization limit for Contract No. 1714-059-31 at \$2,180,000.00, (including GST and contingency); and
3. Authorize the General Manager, Engineering to execute Contract No. 1714-059-31.

## SCOPE OF WORK

The construction package related to this Contract consists of improving the intersection at 168 Street and Highway 10 by widening 168 Street to an interim arterial standard. This will accommodate the installation of left turn bays and right turn only lanes on both the north and south legs of the intersection. The interim arterial treatment will require the relocation of traffic signal poles and existing hydro/telephone poles. The project also includes the upgrade of the existing rail crossing along 168 Street, south of Highway 10. The location of this project is illustrated on the map attached to this report as Appendix “I”:

Map Reference Number	Project #	Project Description	Location
1	1714-312	Intersection Upgrade	168 Street at Highway 10

The Contract work is expected to start on August 13, 2018, and will be substantially completed by December 2018 with final paving occurring in Spring 2019.

## TENDER RESULTS

Tenders for the subject contract were opened on July 12, 2018 with the following results:

<i>Contractor</i>	<i>Tendered Amount with GST</i>	<i>Corrected Amount</i>
1. All Road Construction Ltd	\$1,977,511.99	No Change
2. Lafarge Canada Inc.	\$2,399,654.25	No Change

The Engineer's (SNC Lavalin) pre-tender estimate was \$1,820,894.25 (including GST).

## EVALUATION

The City's consultant reviewed the tender submissions for accuracy and completeness. No errors were found. All submissions included the required 10% bid bond, were signed on the Tender Form, and were initialed on the Summary Sheet of the Schedule of Quantities and Prices.

Only two bids were received on this Contract. Staff spoke with various contractors during the tendering period and was advised that many do not have the capacity to undertake additional work at this time. The bids received on this Contract are 8% and 32% higher than the Engineer's pre-tender estimate, which was based on 2017 tender prices. It appears that lack of capacity in the marketplace for this type of work at this time is a contributing factor in the lack of bids and the value of the bids received.

The low bidder, All Road, has provided a Consent of Surety for a Performance Bond and a Labour & Materials Bond, and agreed to complete the work within 90 working days, as stipulated in the Contract. All Road's past performance on similar work has been satisfactory. They have no outstanding legal claims against the City. It is recommended that in an effort to provide congestion relief at the intersection at 168 Street and Highway 10 All Road be awarded Contract No. 1714-059-31.

Should Council not see the merits of awarding the Contract at this time, staff can retender the work later this fall in an effort to obtain more bidders and potentially more favourable pricing. Retendering later this fall will delay the commencement of the work until Spring 2019.

## SUSTAINABILITY CONSIDERATIONS

The work of this Contract supports the objectives of the City's Sustainability Charter 2.0. In particular, this work relates to the Sustainability Charter 2.0 theme of Infrastructure. Specifically, this project supports the following Desired Outcomes ("DO"):

- All Infrastructure DO1: City facilities and infrastructure systems are well managed, adaptable and long lasting, and are effectively integrated into regional systems; and
- Transportation DO14: Goods movement throughout the city is efficient, and minimizes environmental and community impacts.

## FUNDING

Funding for this Contract is available in the approved 2018 Transportation Budget.

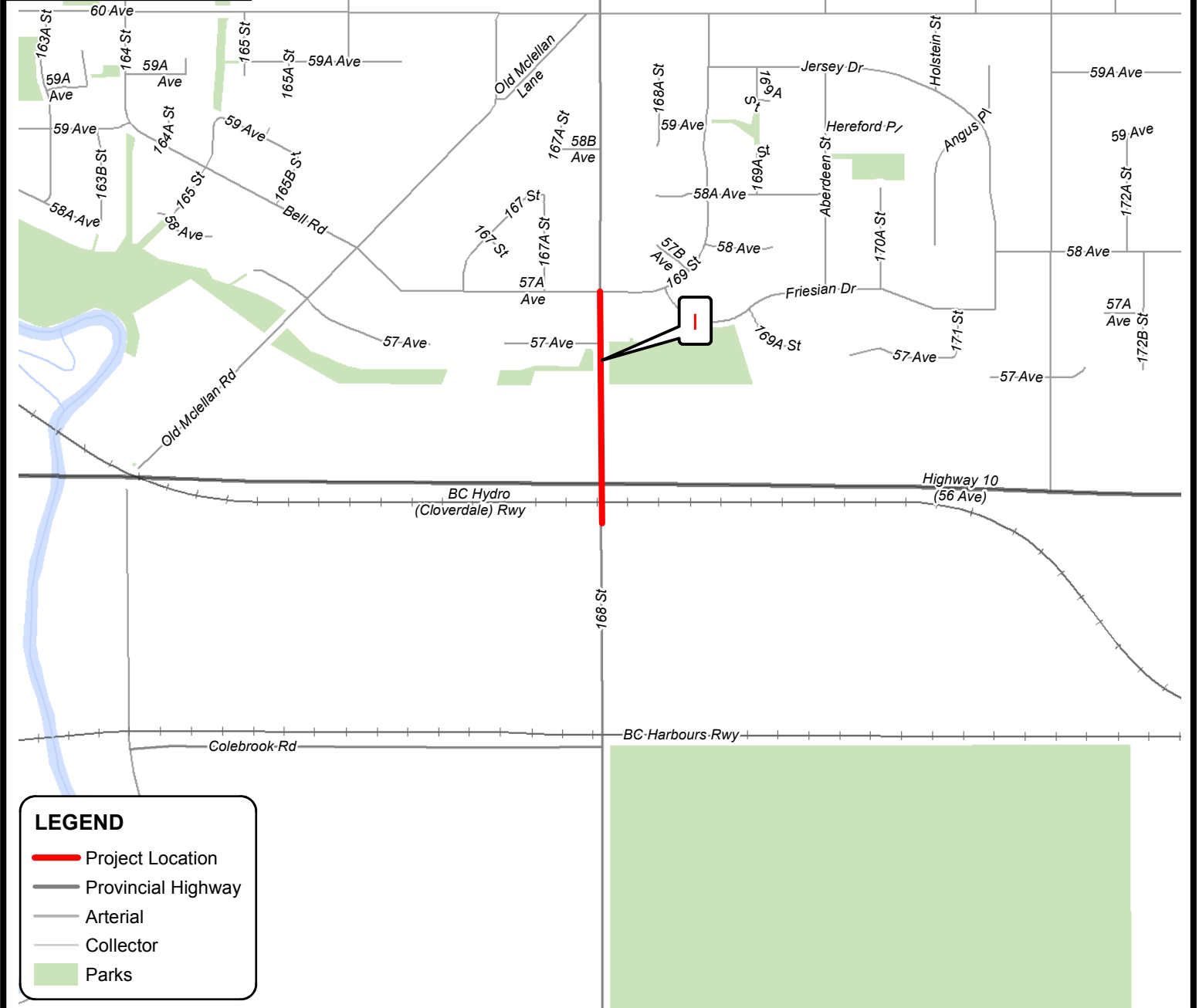
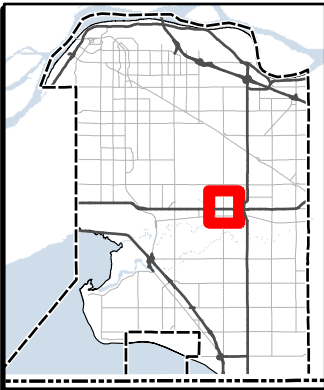
Fraser Smith, P.Eng., MBA  
General Manager, Engineering

JA/SSA/ggg

Appendix "I": Map of Locations – Contract No. 1714-059-31

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# APPENDIX "I"



**LEGEND**

- Project Location
- Provincial Highway
- Arterial
- Collector
- Parks

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## CONTRACT No. 1714-059-31 168 Street and Highway 10 Intersection Improvement Project

ENGINEERING  
DEPARTMENT

The data provided is compiled from various sources and IS NOT warranted as to its accuracy or sufficiency by the City of Surrey. This information is provided for information and convenience purposes only. Lot sizes, Legal descriptions and encumbrances must be confirmed at the Land Title Office.