



Staff Report

Report To: Dan Best, Chief Administrative Officer

From: **Don Giberson, Director of Operations and Infrastructure**

Date: June 18 2018

Report: ESD.18.28

Subject: Tender Results for the joint Whalen Line Reconstruction Project (Highway #4 to McTaggart Line)

Recommendations:

That South Huron Council receive the report from Don Giberson, ESD Director RE: Tender Results for the joint Whalen Line Reconstruction Project (Highway #4 to McTaggart Line), AND;

That South Huron Council authorize 50% funding of the joint Whalen Line Reconstruction Project (Highway #4 to McTaggart Line) with Township of Lucan Biddulph in the amount of \$329,091.56 including non-recoverable HST, AND;

That South Huron Council authorize the deferral of the Gregus Court Overlay and the Marlborough Street surface treatment projects and use savings realized from the Huron Street East Reconstruction Project to fund a the budget shortfall for the joint Whalen Line Reconstruction Project.

Purpose:

The purpose of this report is to notify Council of the results of the tender for the joint Whalen line Reconstruction project (Highway #4 to McTaggart Line) and to obtain authorization for South Huron's share of the total project costs.

Background and Analysis:

This is a joint project with the Township of Lucan Biddulph and subject to the terms and conditions of the Boundary Road Agreement. Lucan Biddulph is the lead on this project; accordingly, Lucan Biddulph Staff prepared the tender and arranged to advertise the tender in local newspapers and on their municipal website. The tender closed at the Lucan Biddulph Municipal Office on Thursday, May 31, 2018 and the following are the tender results:

Whalen Line Reconstruction (Highway #4 to McTaggart Line)				
	Contractor	Price (Excluding HST)	HST	Total Cost (Including HST)
1	Lavis Contracting Co. Ltd.	\$567,799.45	\$73,813.93	\$641,613.38
2	Coco Paving Inc.	\$697,400.00	\$90,662.00	\$788,062.00
3	Dufferin Construction	\$743,578.30	\$96,665.18	\$840,243.48

At the Lucan Biddulph Council Meeting of June 4, 2018, Township of Lucan Biddulph Council accepted the tender from the low bidder, Lavis Contracting Co. Ltd, for the joint Whalen Line Reconstruction project and authorized their 50% of the expenditure, with the remaining 50% proposed to be funded by the Municipality of South Huron in accordance with the Boundary Road Agreement.

The project also includes subdrain and gravel shouldering work that is not included in the above tender.

Operational Considerations:

There were no alternatives considered.

South Huron's Strategic Plan:

Section 6.2.2 of the Municipality of South Huron 2015- 2019 Strategic Plan identifies key objectives that are reflective of the collective perspectives of the strategic planning process.

The recommendations and actions outlined in this report are reflective of the following strategic objectives:

Administrative Efficiency and Fiscal Responsibility

Increased Communications and Municipal Leadership

Transparent, Accountable and Collaborative Governance

Dedicated Economic Development Effort

Financial Impact:

The cost associated with the joint Whalen Line Reconstruction project is included in the 2018 Capital Budget; however, the total project cost is not within the approved budget amount. Please note that this is Federal Gas Tax funded project.

The total cost for cold-in-place and hot mix asphalt tender from the low bidder is \$567,799.45 plus HST. This is a joint project with Lucan Biddulph and Lucan Biddulph will be responsible for 50% of the costs. Subject to South Huron approval of funding of our share of the total project costs, Lucan Biddulph will enter into a contact with Lavis Contracting Co. Ltd. and will invoice South Huron for our 50% share of the total project costs upon completion of the work.

The installation of subdrains and gravel shouldering are not included in the above tender. Subdrains are estimated at \$41,000.00 plus HST and gravel shouldering is estimated at \$38,000 plus HST.

FINANCIAL ANALYSIS SUMMARY	
	Total
Part 1 - Cold-in-place recycling and asphalt overlay	\$567,799.45
Part 2 - Subdrains	\$41,000.00
Part 3 -Gravel Shouldering	<u>\$38,000.00</u>
Subtotal (Construction Costs)	\$646,799.45
Non-recoverable HST	<u>\$11,383.67</u>
Total	\$658,183.12
South Huron's 50% share	\$329,091.56
Approved Budget	<u>\$250,525.00</u>
Net Difference Approved Budget vs Tender Cost	-\$78,566.56

In order make up the \$78,566.56 funding short fall, staff recommend the following 2018 Capital Projects be deferred and the balance of the funding

shortfall be from the savings realized on the Huron Street East Reconstruction project.

- Gregus Court Overlay in the amount of \$30,000
- Marlborough Street surface treatment, in the amount of \$30,000
- Savings from the Huron Street East Reconstruction project in the amount of \$18,566.56

Legal Impact:

There are no legal implications for the Corporation resulting from the proposed recommendation.

Staffing Impact:

There are no staffing implications for the Corporation resulting from the proposed recommendation.

Policies/Legislation:

1. Approved 2018 Capital Budget
2. South Huron Asset Management Plan
3. Minimum Maintenance Standards, under the Highway Traffic Act

Consultation:

Director of Financial Services

Related Documents:

None

Respectfully submitted,

A handwritten signature in black ink, enclosed within a hand-drawn oval. The signature is stylized and appears to read 'Don Giberson'.

Don Giberson, Director of Operations and Infrastructure