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<b>TO:</b>	<b>CHAIR AND MEMBERS CIVIC WORKS COMMITTEE MEETING ON JULY 17, 2012</b>
<b>FROM:</b>	<b>JOHN BRAAM, P. ENG ACTING EXECUTIVE DIRECTOR, PLANNING, ENVIRONMENTAL &amp; ENGINEERING SERVICES DEPARTMENT &amp; CITY ENGINEER</b>
<b>SUBJECT</b>	<b>CONTRACT AWARD FOR 2012 PAVEMENT PRESERVATION – ROUT &amp; SEAL TENDER 12-79</b>

<b>RECOMMENDATION</b>
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That on the recommendation of the acting Executive Director, Planning & Environmental and Engineering Services Department the following actions **BE TAKEN** with respect to the award of a contract for the 2012 Pavement Preservation – Rout & Seal (TS1446-11) Project:

- (a) the bid submitted by MSO Construction Limited, 175 Bethridge Road, Rexdale, Ontario, M9W 1N4, at its tendered price of \$ 258,931.00 (excluding H.S.T.), for the 2012 Pavement Preservation – Rout & Seal Project, **BE ACCEPTED**, it being noted that this bid was the lowest of four (4) bids received and meets the City's specifications and requirements in all areas; and it being further noted that there is no anticipated additional operating costs to the Planning, Environmental and Engineering Services Department Operating Budget in 2013 and subsequent years associated with approval of this tender;
- (b) the financing for this project **BE APPROVED** as set out in the Source of Financing Report attached hereto as Appendix 'A';
- (c) the Civic Administration **BE AUTHORIZED** to undertake all the administrative acts that are necessary in connection with this project;
- (d) the approval given herein **BE CONDITIONAL** upon the Corporation entering into a formal contract or issuing a purchase order for the material to be supplied and the work to be done relating to this project (Tender 12-79); and
- (e) the Mayor and City Clerk **BE AUTHORIZED** to execute any contract or other documents, if required, to give effect to these recommendations.

<b>BACKGROUND</b>
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**Purpose:**

This report recommends award of a tender to a contractor for the 2012 Pavement Preservation – Rout & Seal project in the City of London.

**Discussion:**

The rout and seal process is a form of crack sealing that is used to prolong the life of hot mix asphalt pavements before more expensive road rehabilitation and reconstruction measures are required. The City of London has an annual Road Preservation tender to seal such cracks on major roadways (arterials and expressways).

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Several roads have been inspected for the presence of cracks, and the following sections have been selected to be repaired as part of the 2012 Pavement Preservation – Rout & Seal contract:

- VETERANS MEMORIAL PARKWAY (Huron Street to Highway 401)
- OXFORD STREET (from 200 m west of Commissioners Road to Sanitorium Road)
- OXFORD STREET (Hyde Park Road to Wonderland Road)
- OXFORD STREET (Proudfoot Lane to Richmond Street)
- OXFORD STREET (Colborne Street to 160 m west of Highbury Avenue)
- OXFORD STREET (200 m east of Highbury Avenue to Industrial Road)
- TRAFALGAR STREET (200 m west of Maclarenwood Terrace to Balfour Place)
- TRAFALGAR STREET (Falcon Street to Clarke Road)
- TRAFALGAR STREET (Highbury Avenue to 350 m east of Highbury Avenue)
- Highbury Avenue (Oxford Street East to Hamilton Road)
- POND MILLS ROAD (Commissioners Road to 30 m south of Old Ham Road)
- COMMISSIONERS ROAD (Highbury Avenue to Jackson Road)
- CLARKE ROAD (Trafalgar Street to Gore Road)
- SOUTHDALE ROAD (Adelaide Street to Millbank Drive)
- KING STREET (Ridout Street to Waterloo Street)

The entire project is scheduled to commence upon approval, and it is anticipated to take approximately one (1) month to complete.

**Tender Summary:**

Tenders for the 2012 Pavement Preservation – Rout & Seal contract (Tender 12-79) were opened on May 30, 2012. Four (4) contractors submitted tender prices as listed below (exclusive of H.S.T.).

CONTRACTORS		CONTRACT PRICE (SUBMITTED)	CORRECTED CONTRACT PRICE
1.	MSO Construction Limited	\$258,931.00	--
2.	Road Master Road Construction & Sealing Ltd.	\$265,299.00	--
3.	2228977 Ontario Inc. o/a R&N Maintenance	\$287,271.00	--
4.	788893 Ontario Limited o/a Niagara Crack Sealing	\$328,230.00	\$330,230.00

All tenders have been checked by the Transportation Planning and Design, Planning, Environmental and Engineering Services Department. The 788893 Ontario Limited o/a Niagara Crack Sealing tender price included a mathematical error which did not change the relative ranking of the low tender.

The tender estimate prior to the opening was \$320,000.00 (exclusive of H.S.T.). Therefore, the tendering results are favorable to the City compared to the engineers estimate. The engineers estimate was based on prior records for similar work. In summary, most of the tenders received were within the estimate provided and funding is available from the 2011 Road Rehabilitation – Main Program.

All tenders include a contingency allowance of \$40,000.00 (excluding H.S.T.).

There are no anticipated additional annual operating costs to the Planning, Environmental and Engineering Services Department associated with the approval of this tender.

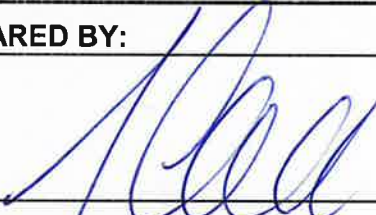
**Conclusion:**

It is recommended that MSO Construction Limited be awarded the contract for the 2012 Pavement Preservation – Rout & Seal project.

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**Acknowledgements:**

This report was prepared by a team within the Planning, Environmental and Engineering Services Department comprising of Sarah Irwin, Engineering Intern, and Karl Grabowski, Transportation Design Engineer of the Transportation Planning and Design Division.

<b>PREPARED BY:</b>	<b>RECOMMENDED BY:</b>
	
<b>JOHN LUCAS, P. ENG. DIVISION MANAGER TRANSPORTATION PLANNING &amp; DESIGN DIVISION</b>	<b>JOHN BRAAM, P. ENG. ACTING EXECUTIVE DIRECTOR, PLANNING, ENVIRONMENTAL &amp; ENGINEERING SERVICES DEPARTMENT &amp; CITY ENGINEER</b>

June 21, 2012

KPG/si

Attachment: Appendix 'A' – Source of Financing

- cc      Administrative Services
- MSO Construction Limited, 175 Bethridge Rd, Etobicoke, ON M9W 1N4
- Roadmaster Road Construction & Sealing Ltd., 200 Pellatt Ave, Weston, ON M9N 2P6
- 2228977 Ontario Inc. o/a R&N Maintenance, 8066 Wellington Rd 124, Guelph, ON N1H 6H7
- 788893 Ontario Limited o/a Niagara Crack Sealing, 40 Stonebridge Drive, Port Colborne, ON L3K 5V5

APPENDIX 'A'

#12110

Chair and Members  
Civic Works Committee

July 6, 2012  
(Award Contract)

RE: 2012 Pavement Preservation - Rout & Seal  
Capital Project TS1446-11 - 2011 Road Rehabilitation - Main  
MSO Construction Limited - \$258,931.00 (excluding H.S.T.)

**FINANCE DEPARTMENT REPORT ON THE SOURCES OF FINANCING:**

Finance Department confirms that the cost of this project can be accommodated within the financing available for it in the Capital Works Budgets and that, subject to the adoption of the recommendation of the Acting Executive Director, Planning, Environmental & Engineering Services Department & City Engineer, the detailed source of financing for this project is:

<u>ESTIMATED EXPENDITURES</u>	<u>Approved Budget</u>	<u>Committed To Date</u>	<u>This Submission</u>	<u>Balance For Future Work</u>
Engineering	435,782	435,782		0
Construction	9,864,218	8,810,755	263,488	789,975
<b>NET ESTIMATED EXPENDITURES</b>	<b>\$10,300,000</b>	<b>\$9,246,537</b>	<b>\$263,488</b> 1)	<b>\$789,975</b>
<b><u>SUMMARY OF FINANCING:</u></b>				
Capital Levy	490,000	490,000		0
Debenture By-Law No. W.-5293-145	2,809,660	1,756,197	263,488	789,975
Federal Gas Tax	7,000,340	7,000,340		0
<b>TOTAL FINANCING</b>	<b>\$10,300,000</b>	<b>\$9,246,537</b>	<b>\$263,488</b>	<b>\$789,975</b>

1) **Financial Note:**

	<u>Total</u>
Contract Price	\$258,931
Add: HST @13%	33,661
Total Contract Price Including Taxes	292,592
Less: HST Rebate	29,104
Net Contract Price	<b>\$263,488</b>

2) There are no anticipated additional annual operating costs to the Planning, Environmental and Engineering Services budget in 2013 and subsequent years associated with the approval of this tender.

EH



Alan Dunbar

Manager of Financial Planning & Policy