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## MANAGEMENT REPORT

**Date:** June 12, 2023  
**To:** Mayor and Council  
**From:** Nathan Bottema, Project Engineer  
**Report #:** COU23-076  
**Attachments:** T-2023-21 Bid Summary

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**Title:** T-2023-21 Asphalt Resurfacing Tender Award

**Objective:** To obtain Council approval to accept the lowest bid from Steve Smith Construction Corporation of \$2,235,375.45 including HST, for the Asphalt Resurfacing Contract T-2023-21.

**Background:** The Asphalt Resurfacing project scope of work includes full depth asphalt replacement of Ontario Street from Waterloo Street to Parkview Drive (1.0 km) and John Street from Huron Street to Easson Street (1.2 km). The road pavement quality was assessed in 2022 as being in poor to very poor condition. The storm sewers, sanitary sewers and watermains are in acceptable condition.

The Ontario Street and Erie Street (Highway 7/8) Resurfacing Project was selected for funding through Ontario's 2023-2024 Connecting Links Program in April 2023. The Connecting Links Program (CL) will provide funding for up to 90% of the eligible project costs with a maximum amount of \$3,000,000.00 and is to be split between Ontario Street in 2023 and Erie Street in 2024.

The Asphalt Resurfacing tender was posted on the City website Bid Opportunity page and in the Bids and Tender public forum on April 24, 2023. The tender closed on May 17, 2023.

**Analysis:** There were a total of fourteen (14) contractors that picked up plans for the project, with four (4) submitting official bids. The lowest qualified bid of \$2,235,375.45 including HST was submitted by Steve Smith Construction Corporation. The submission was reviewed, and their experience and references were checked with positive results. The Contractor has successfully completed other projects in the City such as the Huron Street Reconstruction, 2020 Asphalt Resurfacing Project (O'Loane Avenue North) and the St. Vincent Street Watermain Replacement (2018). The Steve Smith Construction Corporation bid of \$2,235,375.45 is \$2,013,024.83 after the HST rebate.

The 2023 approved capital budget contains a total of \$4,925,000 for asphalt resurfacing. The asphalt resurfacing budget provides funds for the resurfacing project, annual crack sealing, and the annual geotechnical testing program for future projects and is funded as follows:

<b>Budget</b>	<b>Cost</b>		<b>Funding</b>	
		CCBF	Conn. Link	Reserves
Asphalt Resurfacing	\$1,500,000	\$1,300,000		\$50,000 R-R11-STRM \$75,000 R-R11-WATR \$75,000 R-R11-WWTR
Connecting Link Resurfacing	\$3,425,000		\$3,000,000	\$125,000 R-R11-STRM \$100,000 R-R11-WWTR \$200,000 R-R11-PWCA
Total	\$4,925,000	\$1,300,000	\$3,000,000	\$625,000

As a result of the competitive tender pricing and available budget, staff contacted Steve Smith Construction Corporation to see if there was interest to extend the resurfacing limits on John Street to Queensland Road using the tender rates. Steve Smith Construction Corporation is available to add this scope of work to the project for \$277,330.48 including HST.

Staff recommend that council approve the tender price and the additional scope of work for a total project cost of \$2,512,705.92 or \$2,262,769.51 after the HST rebate and be funded as follows:

<b>Tender</b>	<b>Cost</b>		<b>Funding</b>	
		CCBF	Conn. Link	Reserves
John Street Tender Scope	\$780,212	\$780,212		\$0.00 R-R11-STRM \$0.00 R-R11-WATR \$0.00 R-R11-WWTR
John Street Additional Scope	\$249,744	\$249,744		\$0.00
Ontario Street	\$1,232,814		\$1,109,533	\$64,700 R-R11-STRM \$15,000 R-R11-WATR \$13,340 R-R11-WWTR \$30,241 R-R11-PWCA
Total	\$2,262,770	\$1,029,956	\$1,109,533	\$123,281

Approximately \$1,890,467 of the Connecting Links funding will be transferred to the 2024 budget for Erie Street resurfacing, and the remaining asphalt resurfacing unspent budget will be spent on crack sealing, geotechnical investigations, and other works.

**Financial impact to current year operating and capital budget:**

The John Street project will be funded by federal gas tax (CCBF), and the water, sanitary and storm reserve funds will not be required as planned in the 2023 budget and will remain in the reserve funds for future capital expenditures. Unused gas tax funding will also remain in the reserves for future capital expenditures.

The Ontario Street project is funded 90% from Connecting Links funding with the remaining 10% to be funded through the sanitary, storm, water and public works reserve funds as noted above.

**Financial impact on future year operating budget:**

There would be reduced annual operating and maintenance costs in future years. The new road surface would not need as much maintenance (pothole repair, crack sealing, patching) and would be in good condition for many years.

**Link to asset management plan and strategy:**

The road segments are part of the asset management plan, and the asphalt condition will be updated to reflect the new investment. Future asphalt replacements will be planned for based on estimated useful life. The adjustment to the asset management plan will impact future capital planning forecasts and funding strategies will be updated accordingly.

**Alignment with Strategic Priorities:**

**Mobility, Accessibility and Design Excellence**

Improving ways to get around, to and from Stratford by public transit, active transportation, and private vehicle.

**Developing our Resources**

Optimizing Stratford's physical assets and digital resources. Planning a sustainable future for Stratford's resources and environment.

**Alignment with One Planet Principles:**

**Equity and Local Economy**

Creating safe, equitable places to live and work which support local prosperity and international fair trade.

**Staff Recommendation: THAT the Tender (T-2023-21) and additional scope of work for the Asphalt Resurfacing 2023 Contract, be awarded to Steve Smith Construction Corporation at a total tender price of \$2,512,705.92, including HST;**

**AND THAT the Mayor and City Clerk, or their respective delegates, be authorized to sign the necessary Contract Agreement.**

**Prepared by:**

Nathan Bottema, Project Manager

**Recommended by:**

Taylor Crinklaw, Director of Infrastructure and  
Development Services

Joan Thomson, Chief Administrative Officer