

Region of Waterloo

Corporate Services

Treasury Services (Procurement)

To: Regional Council

Meeting Date: April 19, 2023

Report Title: T2023-119 - Roundabout Construction Regional Road 86 (Line 86) at Regional Road 19 (Floradale Road)

1. Recommendation:

That the Regional Municipality of Waterloo take the following action with respect to T2023-119 - Roundabout Construction Regional Road 86 (Line 86) at Regional Road 19 (Floradale Road) as set out in report COR-TRY-23-012 dated April 19, 2023:

- 1) Accept the tender of Steed and Evans Ltd. in the amount of \$3,831,000.00 plus all applicable taxes; and
- 2) Increase the capital budget for Project 07558 Roundabout Construction Regional Road 86 (Line 86) at Regional Road 19 (Floradale Road) in the amount of \$2,091,000 to be funded from the Roads Regional Development Charges Reserve Fund.

2. Purpose / Issue:

Purchasing by-law 22-034 Section 9 item 3 requires Council approval for tenders in excess of \$150,000 but less than \$10,000,000 if the tender with the best overall cost that is compliant exceeds the budget for the acquisition of the goods and services and approval from Council to increase the budget is desired.

3. Strategic Plan:

Award of this contract meets the 2019-2023 Corporate Strategic Plan objective to improve road safety for all users under Strategic Focus Area 2, Sustainable Transportation.

4. Report Highlights:

- The following tenders were received:

Steed and Evans Limited	St. Jacobs, Ontario	\$3,831,000.00
Capital Paving Inc	Guelph, Ontario	\$3,926,032.00
E. & E. Seegmiller Limited	Kitchener, Ontario	\$4,240,327.00

- The final date of acceptance for this tender is June 22, 2023.
- As the cost of the work exceeds the approved budget, a budget amendment is required with additional funding from the Roads Regional Development Charge Reserve Fund.

5. Background:

Tenders were called for T2023-119 - Roundabout Construction Regional Road 86 (Line 86) at Regional Road 19 (Floradale Road) and were advertised on the Ontario Public Buyers Association website and on the Region's website.

The work under this contract includes construction of a new roundabout at the intersection of Regional Road 86 (Line 86) at Regional Road 19 (Floradale Road). Improvements to the roadway vertical profile, new storm sewers and paved shoulders will also be provided.

The cost of the work based on the low bid exceeds the approved budget for the project. Three main factors contribute to the additional costs:

1. Geotechnical information obtained after the budget was established identified an increase in the needed roadway rebuild depth due to unsuitable underlying soils. This necessitates increased quantities for a number of major items including earthworks, granular "A", and base asphalt.
2. The presence of contaminated materials that will need to be removed from site and disposed of at a licenced facility. O. Reg. 406/19 On-site and Excess Soil Management (under the Environmental Protection Act) came into effect this year and requires soils to be disposed of in a managed way.
3. Cost escalation has impacted all of the above items as well as street lights, paved shoulders, storm sewer pipe and storm sewer structures, all of which have exceeded budget estimates. This cost escalation is comparable to the results of other bids recently received by the Region.

6. Area Municipality Communication and Public/Stakeholder Engagement:

The public, stakeholders and Township staff were engaged during the planning and design stages of this project.

The public will be informed of traffic restrictions and road closures through information on the Region's website, notices delivered to area residents and businesses, social media updates, and road signs.

7. Financial Implications:

The cost of the work exceeds the budget available in the 2023-2032 Transportation Capital Program by \$2,097,100. The additional costs will be funded from the Roads Regional Development Charges Reserve Fund.

Detailed financial implications are set out in Appendix A.

8. Conclusion / Next Steps:

Subject to Council approval, the work of this contract will begin May 2023, with completion expected by September 2023.

Construction staging is proposed to maintain through traffic on Line 86 with closures on Floradale Road. Local access to businesses, residences and emergency vehicles will be maintained. Through traffic on Floradale Road will be directed by signs to detour routes.

9. Attachments:

Appendix A: Detailed Financial Implications

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Approved By: Craig Dyer, Commissioner, Corporate Services/Chief Financial Officer