

MEETING DATE: August 29, 2001

SUBJECT: Procurement Authorization Arrow Road Bus Garage Pavement Rehabilitation Contract V60-3

RECOMMENDATION

It is recommended that the Commission authorize the acceptance of the tender submitted by Grasean Construction Ltd. in the amount of \$1,567,000.00, for Contract V60-3 – Arrow Road Bus Garage Pavement Rehabilitation.

FUNDING

Funds of \$690,000 were included for this work in Project 3.3 Yards & Roads (as set out on pages 449 to 457 of the State of Good Repair/Safety Category) of the TTC 2001-2005 Capital Program, which was approved by the City of Toronto on April 30, 2001. However, the increased costs can be accommodated within the TTC 2001 cashflow by under expenditures in other projects within the TTC's 2001-2005 Capital Program. These cost changes will be addressed in the 2002-2006 Capital program submission.

BACKGROUND

The existing pavement (31,600 m²) at Arrow Road Garage was constructed in 1988. The normal life of on-grade asphalt paving is 25 years based on mid-life overlay. During preliminary design for the overlay, staff discovered the pavement in the heavy traffic areas (45% of total area) to be failing prematurely. Detailed investigation revealed that the granular base and asphalt surface need to be replaced in the heavy traffic areas. To minimize the increase in costs for this work, staff undertook a value engineering exercise. It is more cost effective to place a 200 mm concrete slab in the heavy traffic areas rather than full excavation and replacement with a new granular base and a 150 mm asphalt surface.

The variance between the budgeted and contracted amounts is attributable to increases in both concrete pavement and asphalt overlay costs, as well as to an understatement of the total areas involved.

Accordingly, the proposed capital rehabilitation needs to proceed at this time to ensure that operational delays and increasing maintenance costs are minimized as well as to address employee safety concerns about the uneven and substandard road surface.

DISCUSSION

Contract V60-3 – Arrow Road Bus Garage Pavement Rehabilitation, provides for the rehabilitation of all paved surfaces at Arrow Road Garage including bus roadways, outdoor bus storage and the employee parking lot.

Tender documents were prepared for Contract V60-3, Arrow Road Bus Garage Pavement Rehabilitation and a Request for Tenders was publicly advertised in the Daily Commercial News on June 21, 2001. Fourteen companies requested copies of tender documents out of which six submitted tenders as summarized in Appendix 'A'. The tender documents also requested pricing for five specified options for replacement of asphalt with concrete in the bus parking area which staff have reviewed and are not recommended for acceptance, due to the additional 20% increase in cost.

The lowest tender was received from Grascan Construction Ltd. in the amount of \$1,567,000.00 and included no exceptions or qualifications to the tender documents. Grascan Construction Ltd. has satisfactorily completed work of a similar size and nature for the Commission in the past. They are considered commercially and technically acceptable.

Based on a review of the contractor's financial statements, it appears they have the financial capability to perform this contract.

Sanan Construction submitted the second lowest priced tender and also did not state any exceptions or qualifications and are considered commercially compliant.

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JUSTIFICATION

The tender submitted by Grascan Construction Ltd. is the lowest priced compliant tender.

August 16, 2001

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APPENDIX 'A'

ARROW ROAD BUS GARAGE PAVEMENT REHABILITATION

CONTRACT V60-3

TENDERS RECEIVED

COMPANY	TENDERED PRICE
Grascan Construction Ltd.	\$1,567,000.00
Sanan Construction	\$1,595,200.00
Aecon Construction	\$1,672,077.00
Empire Paving Ltd.	\$1,691,642.00
Gazzola Paving Ltd.	\$1,877,845.00
CRCE Construction	\$2,234,000.00
Engineer's Estimate	\$1,600,000.00