



Corporate

NO: R021

Report

COUNCIL DATE: February 17, 2003

REGULAR COUNCIL			
TO:	Mayor & Council	DATE:	February 3, 2003
FROM:	General Manager, Engineering	FILE:	2320-20 (pavement cut)
SUBJECT:	Road Cut Repair Contract Extension - Aggressive Roadbuilders		

RECOMMENDATION

That the current Contract M.S. 5.1.00 with Aggressive Roadbuilders be extended through 2003 in order to take advantage of favourable rates to a value of \$547,197.50 excluding GST.

INTENT

The intent of this report is to seek Council approval to extend the current three-year Annual Pavement Cut Contract (2000 to 2002 inclusive) for one additional year (2003).

DISCUSSION

Following a tender process in 2000, Contract M.S. 5.1.00 was awarded to Aggressive Roadbuilders Ltd. for the repair of asphalt pavement cuts throughout the City. The Contract term was for a three-year period (2000 to 2002 inclusive) at set unit rates to a maximum annual value of \$547,197.50 excluding GST. Annual costs for the initial two years of the Contract (years 2000 and 2001) approached the above tendered value. However, due to a reallocation of road maintenance funding priorities in 2002, the originally contemplated works as specified within the contract were not completed.

We have since received a request from Aggressive Roadbuilders to allow them to complete the outstanding works of the original tender, a remaining value which is estimated at \$352,001.75. In addition, Aggressive Roadbuilders have requested that the City consider an extension to the existing contract for a period of one year (2003) at the same unit rates as tendered in 2000.

Based on industry review and increases in oil prices, asphalt prices over the last 3 years have increased from

\$42.00 per tonne to \$72.00 per tonne. This rise in asphalt costs will dramatically increase industry unit rates for pavement cut related works to an estimated high of 22% over previous years' rates if re-tendered.

In spite of the above noted increases, Aggressive Roadbuilders have offered to sustain their current unit rates (2000 rates) in order to complete the outstanding works of the original Contract and for the term of the Contract extension period through 2003.

Surrey has utilized pavement cut technology for road repair operations since the early 1990's. This type of operation has been applied exclusively via independent contractor. Since the early 1990's, Aggressive Roadbuilders has successfully bid and completed several pavement cut contracts in Surrey. Consistently, they have provided the City with high levels of service and workmanship at good value.

CONCLUSION

Based on industry price increases to asphalt materials and pavement cut unit rates over the last 3 years, it is recommended that the City extend Contract M.S. 5.1.00, at the current Contract unit rates, for a one-year period (2003) and that the remainder of the 2002 contract value also be completed in 2003.

Aggressive Roadbuilders has completed works within the existing and previous contracts in an excellent manner. As such, we are confident that they will provide the City with good value in return for the extension of the contract period.

Paul Ham, P.Eng.

General Manager, Engineering

GMc/PH/brb

c.c. - Manager, Operations - Engineering Department

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