

COUNCIL REPORT

Meeting Date: June 16, 2025
Department: Engineering and Public Works
Report No.: EPW-2025-28
Prepared by: Walter Easter, Manager of Public Works
Submitted by: Mark Ortiz, Director of Engineering and Public Works
Approved by: Rob Browning, Chief Administrative Officer
SUBJECT: **2025 Asphalt Resurfacing Tender Award**

RECOMMENDATION: THAT: Council receive report EPW-2025-28 – 2025 Asphalt Resurfacing Tender Award for information, and further;

THAT: the 2025 Asphalt Resurfacing Tender is awarded to Steve Smith Construction Corporation for the amount of \$596,957.50 plus HST to complete Drury Lane and Railroad Street.

BACKGROUND:

Asphalt resurfacing is an annual capital project to upgrade deteriorating roads due to regular wear and tear, weather conditions, and increased traffic volumes in our growing municipality.

On February 18, 2025 Council directed staff to proceed with tendering the 2025 Asphalt Resurfacing candidates:

- 1) **Drury Lane from Saulsbury Street to Pannell Lane, Strathroy (600 meters)**
- 2) **Railroad Street from Juliana Drive to Adelaide Road, Mount Brydges (525 meters)**

COMMENTS:

The 2025 Asphalt Resurfacing tender was posted publicly on the Bids & Tenders website on May 6, 2025. The tender closed on May 27, 2025 with 8 bids received. The tender results excluding HST are as follows:

1. Steve Smith Construction Corporation	\$596,957.50
2. GIP Paving Inc.	\$597,200.00
3. Del-ko Paving and Construction Co. Ltd.	\$617,507.50
4. Dufferin Construction Company, A division of CRH Canada Group Inc.	\$629,972.10

5. Middlesex Paving and Maintenance	\$634,911.12
6. Armstrong Paving and Materials Group Ltd.	\$647,279.46
7. J-AAR Civil Infrastructures Limited	\$766,511.00
8. DiCocco Contractors 2015 Inc	\$884,579.40

References of the lowest bidder were consulted which were positive. The Municipality’s consultant, B.M. Ross and Associates, has recommended to award the tender to the lowest bidder, Steve Smith Construction Corporation.

Engineering Services

Staff previously procured B.M. Ross and Associates to assist with project management, site inspection, and geotechnical material testing of the Asphalt Resurfacing program. This is a new approach being undertaken in 2025 to ensure quality workmanship.

Engineering services and geotechnical inspection and testing costs total \$42,000.

CONSULTATION:

- Manager of Public Works

FINANCIAL IMPLICATIONS:

A total of \$400,000 was approved in the 2025 Capital Budget for asphalt resurfacing.

Award of the full tender would result in a budget exceedance of \$238,937.50 plus HST including engineering services and geotechnical testing.

If approved, the additional budget would be funded from the Asset Management Reserve Fund. With a Balance of 2.2 million at the end of 2024

Budget Exceedence

The project is over budget due to additional scope identified during detailed site evaluations which was not accounted for at the time of budgeting.

While original scope included a standard “shave and pave”, engineering review recommended that Railroad Street be widened, gravel added to improve the road base, sidewalk ramps be replaced to meet AODA on Drury Lane and drainage issues addressed to ensure long-term performance and safety.

These scope changes increased overall construction costs. Staff recommend proceeding with the tender award as a long-term investment in critical local infrastructure.

ALTERNATIVES TO THE RECOMMENDATION:

1. Council direct staff to award GIP Paving Inc. (lowest bidder for the Drury Lane portion) the 2025 Asphalt Resurfacing Tender to complete Drury Lane in the amount of \$377,813.36 plus HST and defer the resurfacing of Railroad Street to a later year.
2. Council to provide alternate recommendation.

STRATEGIC PLAN ALIGNMENT:

This matter is in accord with the following strategic priorities:

Local Infrastructure and Capital Investment: Households and businesses in Strathroy-Caradoc will be supported by reliable, financially responsible, and well-maintained infrastructure networks.

ATTACHMENTS:

BM Ross Recommendation Letter