



INFORMATION REPORT

TO:	Chair and Members Public Works Committee
COMMITTEE DATE:	February 29, 2016
SUBJECT/REPORT NO:	Organizational Structure Improvement – Asphalt Repair Program - (PW16006) - (City Wide) (Outstanding Business List)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Brian Hughes (905) 546-2424, Extension 7875
SUBMITTED BY:	Gerry Davis, CPA, CMA General Manager Public Works Department
SIGNATURE:	

Council Direction:

At the July 9, 2015 Public Works Committee meeting staff were requested to provide a business review of the Asphalt Repair Program.

Background:

Roads Operations is responsible for the maintenance of all city streets. Routine maintenance work carried out by Operations includes pot hole patching and minor asphalt roadway repairs. Minor asphalt repairs are carried out at various localized areas of distress where a road deficiency involving poor rideability or poor drainage can be addressed without encompassing full block or intersection paving. Road resurfacing activities involving full block and intersections require planning and coordination and are administered by the Engineering Division as part of its Capital Budget delivery.

Roads Operations has been investigating the best way of undertaking these minor asphalt roadway repairs. One consideration was to undertake all work with city crews. This requires the purchase or rental of the necessary equipment including an asphalt paver. A second consideration was to undertake the work requiring an asphalt paver through contracted services.

Report:

For the 2015 asphalt repair program a pilot project was established to determine if the contracted service was the most effective choice. Many roadway locations across the city requiring minor asphalt repair were investigated and combined into a single contract which was publicly tendered. The firms submitting bids on city asphalt repair contracts are generally asphalt producers and can deliver very competitive rates to the city.

The contract was developed in the spring/ summer and was tendered in August. The contract included 217 locations for asphalt repair work with an estimated quantity of 4,460 tonnes of asphalt. Contract C15-58-15(M) closed on September 3, 2015 and the successful bidder was Rankin Construction Inc. at a tendered price of \$1,273,500. This contract also included non-asphalt repair items.

The asphalt repair work includes traffic control, asphalt milling and disposal, and the placing and compaction of hot mix asphalt using an asphalt spreader and roller. The City does not own an asphalt milling machine therefore this work would have to be contracted out under the in-house consideration. The City also does not own an asphalt spreader and this equipment would have to be rented.

An analysis of the contractor's proposed work schedule and cost was carried out and compared with a typical City crew undertaking the work. The contractor's crew is not restricted to an eight hour day as is the City crew. The Contractor is also noted to be an asphalt producer and as such their material costs are less than the City's. The analysis took into account the differences in material and equipment rental costs and concluded that the contracted service is approximately 20% less expensive than if the City crew undertook the work.

With the development of this pilot project taking up considerable time during 2015 the construction started late in the year and some of the work will carry over to 2016. As the contracted service approach for the minor asphalt repair program has been identified as cost effective it is planned to proceed with the same approach in 2016 with an earlier tender call to allow the work to be completed in the same year. An in-depth analysis of the cost and efficiency of the contracted service will be carried out once the pilot contract is completed and monitoring of the effectiveness of this approach will need to continue in future years.

By proceeding with the contracted service the Roads Operations crews can therefore be more effectively allocated to address other road maintenance deficiencies such as reactive asphalt spot repairs not requiring heavy equipment, ditching, sidewalk maintenance and repair, stormwater management and other related ROW maintenance activities.