

<b>To:</b>	Warden Matrosovs and Members of Grey County Council
<b>Committee Date:</b>	April 24, 2025
<b>Subject / Report No:</b>	TR-CW-12-25
<b>Title:</b>	Grey Road 9 Overlay – Project Advancement
<b>Prepared by:</b>	Trevor Ireton, Engineering Manager
<b>Reviewed by:</b>	Pat Hoy, Director of Transportation Services
<b>Lower Tier(s) Affected:</b>	Township of Southgate

## Recommendation

1. That Report TR-CW-12-25 regarding the Grey Road 9 Overlay Project from Highway 6 to Grey Road 109 be received; and
2. That the request to move forward the Grey Road 9 overlay project from 2026 into 2025 be approved; and
3. That Staff work with Cox Construction Ltd. to prepare a change order estimated at \$458,000 after HST rebate for the inclusion of this work as part of RFT-TS-03-25 Grey Road 9 Pulverize and Pave and Overlay Project; and
4. That the \$458,000 be funded from the surplus realized in the 2025 Transportation Capital Construction Budget and, if the surplus is not realized, from the Transportation General Reserve.

## Executive Summary

Grey County has closed a number of tenders as part of the capital plan for 2025 road construction where the surplus has been higher than expected due to more competitive unit pricing. As a result, staff suggest moving the Grey Road 9 overlay project from Highway 6 to Grey Road 109 currently scheduled in the Construction and Resurfacing projected 2026 budget forward into the 2025 season. Staff recommend including this work as a change order to the Grey Road 9 Pulverize and Pave and Overlay Project (RFT-TS-03-25) due to its proximity, similar scope, and competitive unit pricing. By bumping up the 2026 Grey Road 9 project mid-year and combining with the unit pricing secured through the competitive tender process for the 2025 Grey Road 9 project, it represents a savings of approximately 42% (\$322,300) when compared to the 2026 cost projections, and will minimize construction impacts to the public by consolidating work on Grey Road 9 within a single construction season versus spreading disruptions over multiple years.

# Background and Discussion

The proposed overlay project on Grey Road 9 is located only 8 km west of the Grey Road 9 Pulverize and Pave and Overlay project already awarded in 2025. The overlay project is of a similar scope to the already awarded Grey Road 9 project making this an easy addition for the general Contractor to complete. Given this, staff have engaged with the awarded Contractor (Cox Construction Ltd.) for the existing 2025 project to explore the feasibility of incorporating the additional work through a change order. The Contractor is agreeable to the extra work pending approval from County Council. The intent is to extend the unit pricing secured through the competitive tender process, ensuring cost-effectiveness, while reducing mobilization and logistical expenses.

Coordinating these projects will also minimize construction impacts to the public by consolidating work within a single construction season rather than spreading disruptions over multiple years. If approved, staff will proceed with finalizing a change order with the contractor and review the overall project schedule to determine an appropriate extension to allow the Contractor to complete the additional work.

Several road construction project bids for the 2025 plan came in much lower than expected, leading to surpluses. Staff believe favourable pricing is as a result of greater competition among suppliers, new suppliers entering the market and lower than anticipated inflationary impacts on prices for key materials. Staff remain cautious due to the potential of increases to Asphalt Cement Price Index and potential tariffs that may still impact on costs for the tendered 2025 projects. All things considered; however, the projected surplus is sufficient to absorb this recommended change order.

## Financial and Resource Implications

During the bid review process, staff further identified highly competitive unit pricing on several key contract items, leading to overall lower-than-expected bid submissions

The 2026 Construction and Resurfacing projected budget reflects \$780,300 for the project with \$623,100 funded from the Ontario Community Infrastructure Fund (OCIF) and the remainder from levy. If the project moves forward in 2025, the OCIF funding will be redistributed to another eligible project as part of the 2026 budget process. Based on the unit pricing submitted as part of RFT-TS-03-25, staff project the cost to complete the overlay of Grey Road 9 from Highway 6 to Grey Road 109 (including a 10% contingency) to be approximately \$458,000, including the non-recoverable portion of HST. This represents a savings of approximately 42% when compared to the 2026 projection.

The Grey Road 9 Pulverize and Pave and Overlay Project (RFT-TS-03-25) was awarded for a total amount of \$2,748,785.75 excluding HST. This change order of \$458,000 represents a 16.7% increase to the original awarded amount for the project.

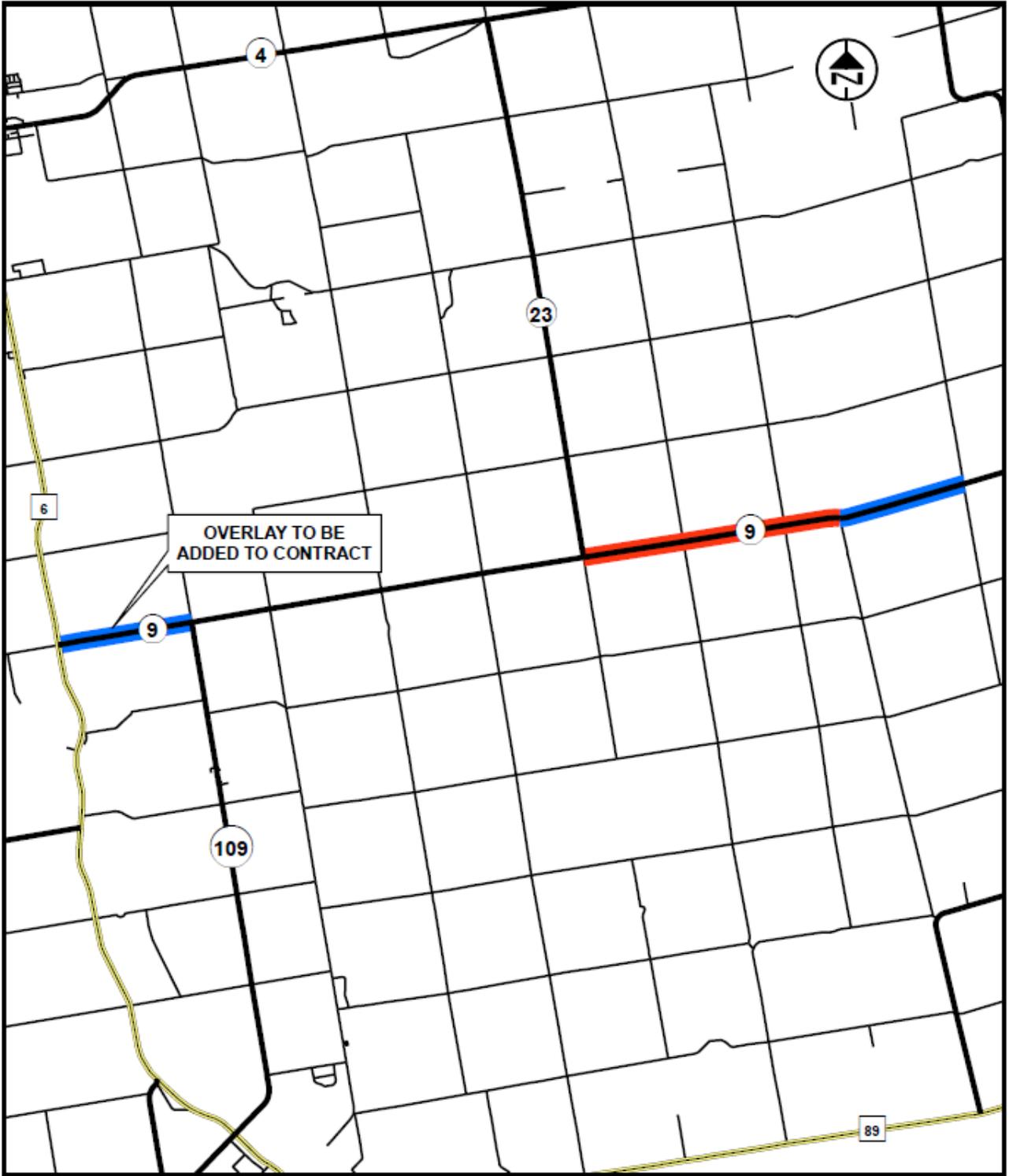
The project will be funded from the Transportation Services 2025 Construction surplus which is estimated to have \$243,200 remaining after funding this project and other previously awarded projects. If the surplus is not sufficient to fund the project, funds are available from the Transportation General Reserve that is projected to have a balance of \$1,943,100 at year-end.

## Relevant Consultation

- Internal (list)
  - Grey County Purchasing
  - AODA Compliance (describe)
  - Contribution to Climate Change Action Plan Targets: When an asphalt overlay is possible, it allows for all existing materials to go undisturbed, eliminating excavation and hauling impacts. The addition of a single lift requires less operating time and less trucking, reducing the impact of the project on the environment.
- External (list)

## Appendices and Attachments

RFT-TS-03-25 Site Location Map – Grey Road 9 Pulverize and Pave and Overlay



OVERLAY TO BE  
ADDED TO CONTRACT

- |   |                    |   |                |
|---|--------------------|---|----------------|
|  | Overlay            |  | County Road    |
|  | Pulverize and Pave |  | MTO Highway    |
|   |                    |  | Municipal Road |

**SITE LOCATION MAP  
Grey Road 9**