

Staff Report

Report To: City Council
Report From: Lauren Stewart, Purchasing and Claims Coordinator
Meeting Date: April 13, 2026
Report Code: CR-26-032
Subject: Award of City of Owen Sound Component of Grey County Joint Tender RFT-TS-20-26 Milling and Hot Mix Asphalt Paving

Recommendations:

THAT in consideration of Staff Report CR-26-032 respecting the Award of the City of Owen Sound Component of Grey County Joint Tender RFT-TS-20-26 Milling and Hot Mix Asphalt Paving, City Council:

1. Awards the City's portion of the above-noted tender to IPAC Paving Limited, the lowest compliant bid received for \$540,002.95, including the non-refundable allocation of HST; and
2. Directs staff to bring forward a by-law to authorize the Mayor and Clerk to execute the agreement.

Highlights:

- The City has approximately 282 lane kilometres of roads.
- The asphalt resurfacing program is a multi-year program that has received stable annual spending over the past several years.
- The City joined with Grey County for a joint Tender in anticipation of improved pricing for both parties.
- The overall condition vs. performance rating for the road network is scored a "B+". Annual road resurfacing funding is required to maintain this rating.

Vision 2050 - Strategic Plan Alignment:

[Strategic Plan](#) Priority: A City that Moves – Facilitating sustainable transportation options and creating community connectivity.

Previous Report/Authority:

A 2026-2027 Road Rehabilitation Locations information report will be provided to the Operations Committee on April 23, 2026. This report will include a list of locations and a map. Due to the early tender date, this could not be provided prior to the tender award report. Early tendering can result in more favourable pricing and improved project planning and scheduling.

Background:

In accordance with the City's Procurement of Goods, Services, Construction, and Consulting Policy (By-law 2020-002), the award of all purchases above \$250,000 must be approved by Council.

The County of Grey issued a joint tender to establish a contract for the Milling and Hot Mix Asphalt Paving at various locations, including the County of Grey and the City of Owen Sound.

The joint purchasing initiative provides competitive pricing based on the principle that increased committed quantities equate to lower unit rates. The initiative also reduces the internal burden of the City to develop a tender for similar services.

This report has been drafted to provide Council with the necessary information to approve the City of Owen Sound Component of the Grey County Joint Tender.

Analysis and Options:

The scope of work for this project includes milling the existing road surfaces, road base spot repairs, line painting, and application of a new road surface, for approximately 3.24 kilometres of City roads.

The tender was posted on the County of Grey Bonfire purchasing webpage on February 10, 2026, and closed with four compliant bids received.

The bids received for the City’s portion of the work, including the non-refundable allocation of HST, are as follows:

Company Name	Bid Price
IPAC Paving Limited	\$540,002.95
Walker Construction Limited	\$592,436.59
E.C. King Contracting	\$644,852.20
MacDonnell Excavating Ltd.	\$811,395.57

The tender submission from IPAC Paving Limited is the lowest compliant Bidder and is recommended for Tender Award by the City.

It should be noted that this report requests approval for the purpose of executing a contract and the funding envelope only; a subsequent report will be submitted to the Operations Committee outlining the precise road segments proposed for resurfacing. The quantity of work will not exceed thresholds allowed within the purchasing policy without further approval.

Resource Alignment:

Financial Resources

The 2026 Road Rehabilitation Program was approved in the 2026-2030 Multi-Year Capital Plan for \$700,000 and is funded entirely by the Canada Community Building Fund.

The updated cost estimates, based on the recommended bid submission, including the non-refundable allocation of HST, are as follows:

Item	Budget	Funding Required	Variance
Construction	\$605,000	\$540,002.95	\$64,997.05
Contingency	\$80,000	\$80,000	\$0
Engineering Consulting Services	\$0	\$10,000	(\$10,000)
In-House Engineering	\$15,000	\$5,000	\$10,000
Total	\$700,000	\$635,002.95	\$64,997.05

Human Resources

Contract administration for the Annual Road Rehabilitation Program is typically managed internally by the City's Engineering Technologist. However, due to the technical nature of this project and current divisional workloads, the City has elected to engage an engineering consultant to oversee contract administration. Dedicated administrative resources help mitigate risks associated with deficiencies and cost-related issues, ultimately protecting the City's interests. It also enhances accountability by ensuring all work performed meets municipal standards and provides long-term value to the City's infrastructure network.

Time and Scheduling

The tender includes a substantial completion date of July 17, 2026.

Technology and Infrastructure

N/A.

Climate and Environmental Impacts:

The recommendation supports the City's Corporate Climate Change Adaptation Plan.

Communication and Engagement:

The above-noted tender was posted on the County's Bonfire website on February 10, 2026, in compliance with the City's Purchasing By-law to be accessible to all potential bidders.

Report Developed in Consultation With:

Director of Public Works and Engineering
Manager of Public Works and Engineering

Attachments:

None.

Reviewed by:

Kate Allan, Director of Corporate Services

Submission approved by:

Tim Simmonds, City Manager

For more information on this report, please contact Lauren Stewart,
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