



2017 OAPC Partners in Quality Road Tour
**AG Report: Road Infrastructure Construction Contract Awarding
and Oversight**

**Provincial Highways Management Division
Ministry of Transportation**

Office of the Auditor General of Ontario

Chapter 3 Section 3.10

Ministry of Transportation— Road Infrastructure Construction Contract Awarding and Oversight

1.0 Summary

The Ministry of Transportation (Ministry) is responsible for the construction and maintenance of provincial highway and bridge infrastructure, which is currently valued at \$92 billion. It consists of about 40,000 km of highway lanes covering a distance of about 17,000 km, and almost 5,000 bridges and culverts.

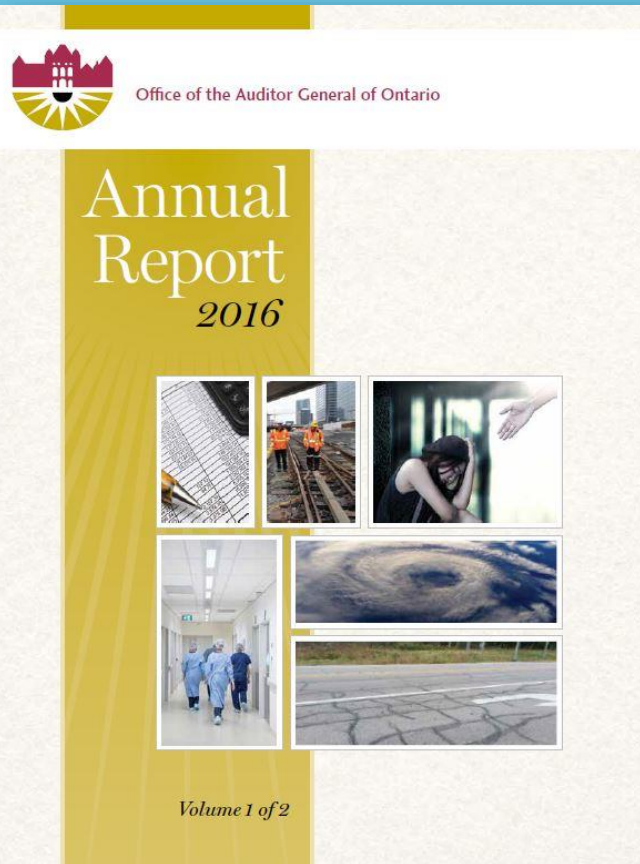
The Ministry enters into construction contracts for work either to rehabilitate existing infrastructure in order to continue using it or to create new infrastructure to expand capacity. The road network, most of which was originally built by the 1990s, requires considerable ongoing maintenance. The Ministry expects to spend about \$14 billion over the next 10 years for road and bridge rehabilitation and about \$4 billion for road and bridge expansion.

In the past five years, the Ministry has awarded about 600 large construction contracts (greater than \$1 million each) totalling about \$5.5 billion. These contracts are for projects such as re-paving sections of highways, expanding highways, building new bridges or rehabilitating existing bridges. The average contract was valued at \$9.1 million.

The Ministry also awarded about 1,450 minor construction contracts totalling about \$590 million. Minor work usually involves less significant repairs on existing structures. The average value of these contracts was about \$400,000.

The road construction industry in Ontario is mainly represented by two groups: the Ontario Road Builders' Association (ORBA) and the Ontario Hot Mix Producers Association (OHMPA). They consult with the Ministry on technical matters and lobby on behalf of their members' interests.

Our audit found that, in 2000, the Ministry began identifying significant problems throughout the province with pavement cracking years before it was expected to, resulting in increased cost to taxpayers for highways having to be repaired or repaved sooner than expected, and increased inconvenience and time lost for drivers due to more frequent road work. In 2004, the Ministry confirmed that poor quality asphalt cement was the primary cause of premature cracking. In 2007, two tests for assessing the quality of asphalt and the likelihood of it cracking prematurely were developed; however, at the time of our audit, the Ministry had fully implemented only one of them—five years after it was developed—and was using the second on only a limited number of projects. This is the case because



AUDITOR GENERAL'S ANNUAL REPORT

Road Infrastructure Construction Contract Awarding and Oversight

ENHANCE OVERSIGHT

VALUE FOR MONEY

IMPROVE ASPHALT QUALITY





AG Report: MTO Action Plan

**Feb
2017**

MTO released the Action Plan for Highway Construction Contracts and Oversight

70

Ministry Staff

50

Specific items to be implemented starting this construction season



AG Report: Recommendations

1

“Minimizing Cracks on Asphalt Highways”

- ✓ Changes to ERS
- ✓ Suspend incentives for mix properties and compaction
- ✓ Raised compaction requirement
- ✓ Continued with “Bonus” for smoothness

2

“Incorporate the Extended Aging test for asphalt”

- ✓ Extended BBR Test included for all AC Grades
- ✓ Revised Ash content test limits
- ✓ Suspended the use of RAP for surface course



AG Report: Recommendations

3

“Making decisions that are in the best interests of Ontarians”

- ✓ Expert Panel
- ✓ Review LD’s and dispute process
- ✓ Review policy development

4

“Appropriate Care and Control of Asphalt Samples”

- ✓ Owner care and control of samples
- ✓ Tip Line
- ✓ Enhanced training



AG Report: Recommendations

5

“Obtain a high level of assurance”

- ✓ Review QVE Process
- ✓ Audits of current process
- ✓ Owner acceptance process

6

“Enforce and Modify Warranty Provisions”

- ✓ Improved oversight and warranty administration
- ✓ Improved training and guidelines

7

“Take Action on Poor Performance or Behaviour”

- ✓ Review rating system and qualification process
- ✓ Review rules for holding contractors accountable for financial information that they report



Looking Ahead...

