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STAFF REPORT: ENGINEERING AND PUBLIC WORKS DEPARTMENT



REPORT TO: Committee of the Whole
MEETING DATE: April 7, 2014
REPORT NO.: EPW.14.022
SUBJECT: Tender Award 2011-49-T-EPW – Purchase of 5/8” Crushed Gravel” – 2014 Contract Extension
PREPARED BY: Jim McCannell, Manager of Roads and Drainage

A. Recommendations

THAT Council receive Report EPW.14.022, “Tender Award 2011-49-T-EPW – Purchase of 5/8” Crushed Gravel” – 2014 Contract Extension;

AND THAT Tender Award 2011-49-T-EPW – Purchase of 5/8” Crushed Gravel” – 2014 Contract Extension be awarded to Dalton R. Lowe and Sons Construction Ltd, for the supply, crushing, loading, hauling, and application of approximately 28,500 tonnes of Granular “A” – 5/8” crushed gravel, at a cost of \$8.93 per tonne, in the amount of \$254,505 excluding HST.

B. Background

The Purchasing of Goods and Services Policy POL.COR.07.05 clause 7 “Powers of the Tender/Proposal Award Committee” states:

“The Tender / Proposal Award Committee, within the parameters of this policy, are hereby authorized to make awards for Tenders from \$50,001 - \$100,000 and \$25,001 to \$100,000 for Requests for Proposals within the respective budget allocations. Awards exceeding \$100,000 shall be made by Council with a recommendation from the Tender / Proposal Award Committee.”

During the 2014 Budget process, the budget for maintenance gravel was increased from \$200,000 to \$255,000 to reduce the deficit in road maintenance the Town is experiencing.

The 2014 unit price per tonne as submitted by Dalton Lowe & Sons Construction Ltd. is \$8.93 per tonne, an increase of 2% over 2013. The following table shows the tendered cost trend over time for information:

Year	Cost per Tonne (T)
2008	\$7.84/ T
2009	\$6.74/ T
2010	\$7.34/ T
2011	\$7.93/ T
2012	\$8.58/ T

2013	\$8.75/ T
2014	\$8.93/T

Prices are excluding HST

It had been earlier noted the benefits of placing gravel earlier in the year as reduced loose gravel being thrown into the roadside ditches by snowploughs and the resulting ditch maintenance cost to remove the gravel. If the gravel is placed in the spring, it becomes well compacted and tightened by the year's traffic prior to snowploughing.

At a 2 % increase over 2013 pricing, the 2014 tendered price of \$8.93 per tonne, which Staff believe is reasonable given fuel costs.

Tender 2011-49-T-EPW was for an initial period of one (1) year, with the Town reserving the right to extend the Tender contract for a period of up to four (4) additional years. Staff is recommending that the Tender contract awarded to Dalton R. Lowe & Sons Construction Ltd. for the summer of 2012 and extended for 2013 be extended for the summer of 2014 at the cost of \$8.93 per tonne for an estimated total cost of \$254,505 excluding HST.

The Tendering Process was originally conducted in compliance with the Town's Purchasing Policy and Procedures.

The Contractor will begin crushing gravel in late winter/early spring of 2014 and maintenance gravel will be placed once load restrictions on the roads in the Gibraltar area are lifted. Payment for the gravel will not be requested until the gravel is placed. This is anticipated to be around July 1, 2014.

C. The Blue Mountains' Strategic Plan

Addressing the Town's municipal infrastructure needs.
Providing a strong, well managed municipal government.

D. Environmental Impacts

The crushing and moving of large quantities of gravel requires vast amounts of energy. The energy is supplied in the way of diesel fuel. The contractor will be asked to comply with the Town's anti-idling program.

The application of spring gravel will reduce the amount of gravel lost during winter control operations, and thereby may result in less truck trips for the replacement of maintenance gravel.

E. Financial Impact

This item would be funded from the Roads and Drainage Division, Maintenance Gravel Budget, Item 1-308-3065-62000. The 2014 budget has \$200,000 allocated for the purchase of maintenance gravel plus an enhancement of \$55,000 for total budget of \$255,000.

F. In Consultation With

Serena Wilgress, Manager of Purchasing and Risk Management
Sam Dinsmore, Financial Analyst

G. Attached

None

Respectfully submitted,

Jim McCannell

Jim McCannell
Manager of Roads and Drainage Division

Tender Proposal Award Committee

Troy Speck

Troy Speck
Chief Administrative
Officer

Reg Russwurm

Reg Russwurm
Director of Engineering
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Serena Wilgress

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