

STAFF REPORT: Engineering & Public Works Department



REPORT TO: Engineering & Public Works Committee
MEETING DATE: July 8, 2008
REPORT NO.: EPW.08.77
**SUBJECT: Purchase of Crushed Gravel, Gibraltar
(TBM-RD-2008-08)**
**PREPARED BY: Jim McCannell, Manager of Roads and
Drainage Division**

A. Recommendations

THAT Council award Contract TBM-RD-2008-08 to Dalton R. Lowe and Sons Construction Ltd, for the supply, crushing, loading, hauling, and applying of approximately 16,000 tonnes of Granular “A” – 5/8” crushed gravel, at a cost \$7.846 per tonne for an estimated total cost of \$125,536.00 excluding GST, as outlined in Report EPW.08.77.

B. Background

Advertisements were placed in local newspapers on Wednesday June 4 and Friday June 6, 2008, requesting the following tender submission:

TBM-RD-2008-08 Crushed Gravel, Gibraltar, for the supply, crushing, loading, hauling, and applying of approximately 16,000 tonnes of Granular “A” – 5/8” crushed gravel, at the request of the Manager of Roads & Drainage.

One bid was received that met the all the conditions of the tender. The submission was from Dalton R. Lowe and Sons Construction Ltd. The unit price for 2008 will be \$7.85 per tonne in comparison to the cost in 2007 of \$6.32 per tonne. The increase in price can be attributed to the increased diesel fuel costs. This material will be used for roads within 24 km of Gibraltar. In this tender process a few items have changed from previous years. In the past, the Roads Superintendent has purchased gravel by the cubic meter, this tender is by the tonne and will be paid by weigh tickets, provided by the supplier. Staff have converted the 2007 costs from per metre to per tonne for comparison.

Dalton Lowe & Sons has returned to crush and stockpile gravel at the landfill. Some material is for the Parks and Recreation Department for use at Tomahawk. The balance will be used by the Roads and Drainage Division. The Town will not continue to crush gravel extracted from the landfill after the current contract is complete. The overburden is now too thick to continue with gravel removal. If the overburden can be removed and used as cover at the landfill it may be possible to extract more gravel in the future.

In this tender, PST is only paid on the supply and crushing of the gravel. The hauling and applying is considered an installation of the product and is PST exempt.

Staff recommends that Contract TBM-RD-2008-08 be awarded to Dalton R. Lowe and Sons Construction Ltd., being the lowest bidder and meeting the requirements of the contract documents.

C. The Blue Mountains' Strategic Plan

This tender award furthers the Town's Strategic Goal #2, "Addressing the Town's municipal infrastructure needs".

D. Environmental Impacts

The crushing and moving of large quantities of gravel require vast amounts of energy. This energy is supplied in the way of diesel fuel. The release of Carbon into the atmosphere is of concern.

E. Budget Impact

The 2008 Roads & Drainage Operational Budget includes \$355,500 for Contract Services.

F. Attached

None.

Respectfully submitted,

Jim McCannell
Manager of Roads and Drainage Divisions

Reg Russwurm
Director of Engineering and Public Works