



## Staff Report

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**Report To:** Dan Best, Chief Administrative Officer  
**From:** **Don Giberson, Environmental Services Director**  
**Date:** March 19 2018  
**Report:** ESD.18.10  
**Subject:** Tender Results - 2018 Supply and Application of Dust Suppressant on Gravel Roads

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### Recommendations:

**That** South Huron Council receive the report from Don Giberson, Environmental Services Director RE: Tender Results - 2018 Supply and Application of Dust Suppressant on Gravel Roads AND;

**That** South Huron Council accept the tender received from 552976 Ontario Limited o/a Cliff Holland Trucking and award a contract for the supply and application of 364 flake tonnes of dust suppressant at \$212.00 per tonne for a total cost of \$77,168.00 plus HST.

### Purpose:

The purpose of this report is to notify Council of the results of the 2018 dust suppressant tender and to recommend award of a contract to the low bidder.

### Background and Analysis:

The tender for 2018 Supply and Application of Dust Suppressant on Gravel Roads was advertised on the Biddingo web site, in accordance with section 9(b) of the Procurement By-Law#33-2017. Biddingo is an on-line procurement service for public sector tenders, quotations and RFPs. The 2018 Supply and Application of Dust Suppressant on Gravel Roads tender was posted on Biddingo on January 30, 2018.

Tenders closed on Wednesday, February 28, 2017 at 2:00pm and four (4) tenders were received by the Municipality. Tenders were opened by Deputy Mayor Dave Frayne, in the presence of Dan Best CAO, Angela Shipway, Financial Analyst; Don Giberson, ESD Director and several contractors.

The following are the tender results:

|   | <b>Contractor</b>        | <b>Price<br/>(Excluding HST)</b> | <b>HST</b>  | <b>Price<br/>(Excluding HST)</b> |
|---|--------------------------|----------------------------------|-------------|----------------------------------|
| 1 | Clifford Holland         | \$77,168.00                      | \$10,031.84 | \$87,199.84                      |
| 2 | Den-Mar Brines Ltd       | \$91,000.00                      | \$11,830.00 | \$102,830.00                     |
| 3 | Pollard Highway Products | \$98,280.00                      | \$12,776.40 | \$111,056.40                     |
| 4 | Da-Lee Dust Control      | \$139,601.28                     | \$18,148.17 | \$157,749.45                     |

The tender received from Den-Mar Brines Ltd did not include a tender deposit and was rejected as non-compliant.

The tender received from the low bidder, 552976 Ontario Limited o/a Cliff Holland Trucking, was checked and found to be complete and in conformance with the specifications.

### **Operational Considerations:**

There were no alternatives considered.

### **South Huron's Strategic Plan:**

Section 6.2.2 of the Municipality of South Huron 2015- 2019 Strategic Plan identifies key objectives that are reflective of the collective perspectives of the strategic planning process.

The recommendations and actions outlined in this report are reflective of the following strategic objectives:

#### Administrative Efficiency and Fiscal Responsibility

This work was publicly tendered as early as possible in the fiscal year in order to achieve the best possible pricing. Procurement was conducted via Biddingo, a public sector on-line procurement service.

#### Increased Communications and Municipal Leadership

The tender notice was published in the local newspapers; on the municipal web site and on Biddingo to reach as many interested bidders as possible.

### Transparent, Accountable and Collaborative Governance

The public tendering transparent process was for this work used in accordance with the procurement By-law 33-2017.

### Dedicated Economic Development Effort

Having well maintained roads contributes to the wellbeing of our rural residents and is essential to attracting/retaining businesses, especially in the agricultural sector.

### **Financial Impact:**

The costs associated with the 2018 Supply and Application of Dust Suppressant Tender are included in the 2018 Transportation Services Operating Budget.

The amount within the Transportation Services Operating budget for unpaved road maintenance (gravel and dust suppressant) is \$414,342. Of that total, \$78,000 was allocated for the supply and placement of dust suppressant.

A financial analysis was carried out and the cost of this tender, including non-recoverable HST is \$526.11 over the budgeted amount. However, the gravel tender is \$31,775.39 under budget and more than offsets this minor additional cost. The following is a summary of the financial analysis:

| <b>FINANCIAL ANALYSIS SUMMARY</b>                                  |                           |
|--|---------------------------|
|  | <b>Total</b>              |
| <b>Supply of 364 flake tonne of CL2 Composite for Dust Control</b> | \$77,168.00               |
| <b>13% HST</b>   | <u>\$10,031.84</u>        |
| <b>TOTAL</b>   | <b>\$87,199.84</b>        |
| <b>Cost prior to HST</b>   | \$77,168.00               |
| <b>Non-recoverable HST</b>   | <u>\$1,358.11</u>         |
| <b>TOTAL</b>   | <b>\$78,526.11</b>        |
| <b>Approved Budget for 2018 Dust Control</b>                       | <b><u>\$78,000.00</u></b> |
| <b>Net Difference Approved Budget vs Tender Cost</b>               | <b><u>-\$526.11</u></b>   |

Historically there have been few bidders on the Dust Suppressant tender. In order to give Council a more fulsome picture of pricing trends for dust suppressant, an analysis was carried out on the historical costs as follows:

| Historical Dust Suppressant costs per flake tonne |          |          |          |          |          |
|---|----------|----------|----------|----------|----------|
| 2013  | 2014     | 2015     | 2016     | 2017     | 2018     |
| \$218.48  | \$209.34 | \$171.00 | \$158.00 | \$198.00 | \$212.00 |

**Legal Impact:**

There are no legal implications for the Corporation resulting from the proposed recommendation.

**Staffing Impact:**

There are no staffing implications for the Corporation resulting from the proposed recommendation.

**Policies/Legislation:**

1. Approved Transportation Operating Budget
2. Minimum Maintenance Standards, under the Highway Traffic Act

**Consultation:**

The Roads Foreman was consulted as part of the tender review and preparation of this report.

**Related Documents:**

None

Respectfully submitted,



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**Don Giberson, Environmental Services Director**