



Staff Report

Report To: Dan Best, Chief Administrative Officer

From: **Shane Timmermans, Manager of Transportation Services**

Date: February 7 2022

Report: TSD.22.02

Subject: Tender Results - 2022 Supply and Application of Dust Suppressant on Gravel Roads

Recommendations:

That South Huron Council receive the report from Shane Timmermans, Manager of Transportation Services RE: Tender Results - 2022 Supply and Application of Dust Suppressant on Gravel Roads and;

That South Huron Council accept the tender received from 552976 Ontario Limited o/a Clayton Holland Trucking and award a contract for the supply and application of 392 flake tonnes of dust suppressant at \$311.89 per tonne for a total cost of \$122,260.88 plus HST, and;

That South Huron Council authorizes \$12,689.88 be drawn from the Transportation operating reserve to cover the amount required to meet the total cost.

Purpose:

The purpose of this report is to notify Council of the results of the tender for the 2022 Supply and Application of Dust Suppressant on Gravel Roads and to recommend award of a contract to the low bidder.

Background and Analysis:

The tender for 2022 Supply and Application of Dust Suppressant on Gravel Roads was advertised on the Bids & Tenders on December 21, 2021.

Tenders closed on January 19, 2022 at 2:00pm and three (3) tenders were received by the Municipality. This was a fully digital tender and the tender opening was virtual via Zoom and was recorded for transparency. The tender files were opened by Maggie McBride, Financial Services Officer, as witnessed by Mayor George Finch and Shane Timmermans, Manager of Transportation Services

The following are the tender results:

	Contractor	Price (Excluding HST)	HST	Price (Including HST)
1	552976 Ontario Limited	\$122,260.88	\$15,893.91	\$138,154.79
2	Pollard Highway Products	\$134,358.00	\$17,466.54	\$151,824.54
3	Da-Lee Dust Control	\$163,134.72	\$21,207.51	\$184,342.23

All tenders received were 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
- ✓ Increased Communications and Municipal Leadership
- ✓ Transparent, Accountable and Collaborative Governance

Dedicated Economic Development Effort

Financial Impact:

The cost associated with the 2022 tender for the supply and application of dust suppressant on gravel roads is included in the 2022 Transportation Services Operating Budget.

The amount within the Transportation Services Operating budget for unpaved road maintenance (gravel and dust control) is \$450,000. Of that amount \$78,000 was allocated for the supply and application of dust suppressant on gravel roads.

A financial analysis was carried out and the cost of this tender, including non-recoverable HST is \$46,412.67 over the budgeted amount.

The following is a summary of the financial analysis:

FINANCIAL ANALYSIS SUMMARY	
	Total
Supply of 392 flake tonne of CL2 Composite for Dust Control	\$122,260.88
Non-recoverable HST	\$2,151.79
TOTAL	<u>\$124,412.67</u>
Approved Budget for 2021 Dust Control	\$78,000.00
Net Difference Approved Budget vs Tender Cost	<u>-\$46,412.67</u>

This overage can be accommodated within the Transportation Operations budget by the savings in the tender for gravel (\$33,722.79) and a transfer from the Transportation Operations Reserve (\$12,689.88).

Historically there have been few bidders on the Dust Suppressant tender. In order to give Council a more complete 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						
2016	2017	2018	2019	2020	2021	2022
\$158.00	\$198.00	\$212.00	\$218.00	\$212.16	\$267.00	\$311.89

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.

Communication Actions:

Tender notice was posted on the Municipal Web Site and in the HUB. Unofficial tender results were posted on Bids&tenders. Contract award will be communicated to the public through the publishing of the Council Minutes.

Policies/Legislation:

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

Consultation:

The General Manager of Financial Services and Don Giberson, General Manager of Infrastructure and Development were consulted as part of the tender review and preparation of this report.

Related Documents:

None

Respectfully submitted,

Shane Timmermans, Manager of Transportation Services