



Staff Report

To: Dan Best, Chief Administrative Officer

From: Jason Parr, Transportation Services Manager

Date: April 18, 2017

Report: TSD.17.01

Subject: Tender Results - 2017 Supply and Application of Dust Suppressant on Gravel Roads

Recommendation:

That South Huron Council receive the report from Jason Parr, Transportation Services Manager RE: Tender Results - 2017 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 \$198.00 per tonne for a total cost of \$72,072.00 plus HST.

Background and Analysis:

The purpose of this report is to notify Council of the results of the tender for the 2017 dust suppressant tender and to recommend award of a contract to the low bidder.

The supply and application of dust suppressant on gravel roads is an activity carried out annually to maintain rural gravel roads in the Municipality.

The tender for the supply and application of dust suppressant on gravel roads was advertised in the Exeter Times Advocate March 8, 2017 and the Lakeshore Advance on March 15 2017. Tenders closed on March 22, 2017 at 1:00pm at the Municipal Office in Exeter. Three (3) tenders were received and opened by Jason Parr, Transportation Services Manager as witnessed by Deputy Mayor Dave Frayne, Councillor Tom Tomes and Sandy Becker, Financial Services Manager/Treasurer.

Tender Results - 2017 Supply and Application of Dust Suppressant on Gravel Roads

The following are the tender results:

	Contractor	Price (Excluding HST)	HST	Price (Excluding HST)
1	552976 Ontario Limited (Cliff Holland)	\$72,072.00	\$9,369.36	\$81,441.36
2	Pollard Highway Products	\$88,816.00	\$11,546.08	\$100,362.08
3	Da-lee Dust Control	\$128,339.12	\$16,684.09	\$145,023.21

The tender received from the low bidder, 552976 Ontario Limited o/a Cliff Holland Trucking, was checked by the Transportation Services Manager; 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.

Increased Communications and Municipal Leadership

The tender was advertised in the local newspapers and on the municipal web site.

Transparent, Accountable and Collaborative Governance

The transparent public tendering process was for this work used in accordance with the procurement By-law 32-2013.

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Dedicated Economic Development Effort

Having well maintained roads is essential to attracting and retaining businesses.

Financial Impact:

The costs associated with the 2017 Supply and Application of Dust Suppressant Tender is included in the 2017 Transportation Services Operating Budget.

The amount within the Transportation Services Operating budget for unpaved road maintenance (gravel and dust control) is a total of \$409,631. Of that amount, \$74,631 was allocated for the supply and application of dust suppressant on gravel roads.

A financial analysis was carried out and the cost of this dust suppressant tender, including non-recoverable HST, is within the approved budget amount.

The following is a summary of the financial analysis:

FINANCIAL ANALYSIS SUMMARY	
	Total
Supply of 364 flake tonnes	\$72,072.00
HST	<u>\$9,369.36</u>
Total	\$81,441.36
Cost prior to HST	\$72,072.00
Non-recoverable HST	<u>\$1,268.42</u>
Total	\$73,340.42
Approved Budget for 2017 Maintenance Gravel	\$74,631.00
Net Difference (Approved Budget vs Tender Cost)	\$1,290.58

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

Historical Dust Suppressant per flake tonne prices				
2013	2014	2015	2016	2017
\$218.48	\$209.34	\$171.00	\$158.00	\$198.00

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 Manager of Financial Services/Treasurer was consulted as part of the tender review and preparation of this report.

File or Reference

F18

Tender Results - 2017 Supply and Application of Dust Suppressant
on Gravel Roads

Attachments:

None

Respectfully submitted,

Jason Parr
Transportation Services Manager

I concur with this report.

Dan Best MPA, BA
Chief Administrative Officer