

# The Corporation of the City of Kawartha Lakes

## Council Report

Report Number PUR2016-052

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**Date:** October 18, 2016

**Time:** 2:00 p.m.

**Place:** Council Chambers

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**Ward Community Identifier:** All

**Subject:** Tender 2016-91-OT Winter Maintenance of Specified Secondary Roads

**Author:** Debbie Ball, Buyer

**Signature:** 

**Co-Author:** Oliver Vigelius  
Manager West B – PW

**Signature:** 

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### Recommendation(s):

**RESOLVED THAT** Report PUR2016-052, **Tender 2016-91-OT Winter Maintenance of Specified Secondary Roads**, be received;

**THAT** Marquis Snow & Ice Ltd. of Oakwood is awarded the Mariposa/Woodville maintenance area, under Tender 2016-91-OT Winter Maintenance of Specified Secondary Roads at the circuit pricing bid;

**THAT** W. G. Jackett & Sons Ltd. of Fenelon Falls is awarded the Sturgeon Lake maintenance area under Tender 2016-91-OT Winter Maintenance of Specified Secondary Roads at the circuit pricing bid;

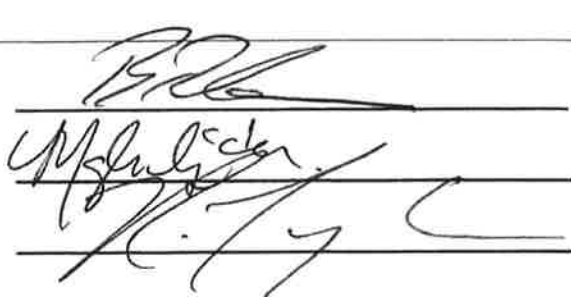
**THAT** 1799877 Ontario Inc. o/a Young's Construction of Fenelon Falls, be selected for the award of the Fenelon Falls maintenance area under Tender 2016-91-OT Winter Maintenance of Specified Secondary Roads at the circuit pricing bid;

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**Department Head:**

**Corporate Services Director / Other:**

**Chief Administrative Officer:**



**THAT** Fairview Trucking Inc. of Cavan, be selected for the award of the Thurstonia-Pigeon Lake maintenance area under Tender 2016-91-OT Winter Maintenance of Specified Secondary Roads at the circuit pricing bid;

**THAT** Council approve the hiring of two (2) temporary seasonal equipment operators for the duration of the 2016/2017 winter control season being the period beginning November 7, 2016 and ending April 13, 2017; and

**THAT** subject to receipt of the required documents, the Mayor and City Clerk are authorized to execute the agreements to award Tender 2016-91-OT Winter Maintenance of Specified Secondary Roads.

## Background:

Tender 2016-90-OT for Winter Maintenance of Secondary Roads was prepared and advertised in accordance with the Purchasing Policy.

The tender requested qualified contractors to supply equipment and properly licensed operators for the clearing of snow and ice, and the proper application of sand and salt (winter mix) in specified maintenance areas (group of routes in geographic proximity to one another) in accordance with the City's Level of Service Policy.

Tender 2016-91-OT Winter Maintenance of Secondary Roads closed on Tuesday, October 11, 2016 and was opened in public by Mayor Andy Letham and Debbie Ball, Buyer.

## Results at Opening:

Tender Received From	Tendered Amount Read at Public Opening					
	Price Per Circuit					
	Maintenance Area	Plowing Only	Plow & Sand	Plow & Salt	Sand Only	Salt Only
Royel Paving Ltd. Lindsay	Mariposa-Woodville	\$1,875.00	\$1,957.00	\$2,062.00	\$1,150.00	\$1,250.00
	Thurstonia-Pigeon Lake	\$2,200.00	\$2,650.00	\$3,375.00	\$1,875.00	\$2,500.00
Fairview Trucking Inc. Cavan	Manvers	\$2,000.00	\$2,475.00	\$3,475.00	\$2,000.00	\$2,675.00
	Mariposa-Woodville	\$1,450.00	\$1,850.00	\$1,950.00	\$1,590.00	\$1,790.00
Marquis Snow & Ice Ltd. Oakwood	Fenelon Falls	\$1,414.00	\$1,743.00	\$2,031.00	\$1,429.00	\$1,799.00
	Sturgeon Lake	\$1,414.00	\$1,743.00	\$2,031.00	\$1,429.00	\$1,799.00
W. G. Jackett & Sons Ltd. Fenelon Falls	Fenelon Falls	\$1,295.00	\$1,520.00	\$1,595.00	\$1,295.00	\$1,520.00
1799877 Ontario Inc. o/a Young's Construction Fenelon Falls	Fenelon Falls	\$1,295.00	\$1,520.00	\$1,595.00	\$1,295.00	\$1,520.00

Provisional pricing was not read as PW will determine at a later date if required

One notice of 'Declined to Tender' form was received from Teel Aggregates of Woodville stating that "their vehicles do not have wing attachments which we did not require when we plowed Woodville street as all are dead ends."

Bidders could bid on one or more of the five maintenance areas. Award is based on circuit pricing.

The tender was re-issued with revised requirements as follows:

- The term is one winter season, commencing November 1, 2016 to April 15, 2017 with an option to renew for an additional three - one year terms pending vendor performance and mutual agreement of any requested price adjustment vs two year term with optional extensions;
- Tender surety was reduced to \$2,000.00 per tender vs \$5,000.00 per tender; and
- Vehicle requirements were revised to allow use of older units subject to a demonstration and inspection if warranted.

A circuit of service is defined as all roads identified within the awarded maintenance area being plowed and/or an application of winter mix. The Contractor is compensated at the circuit price bid when the City receives verification that all routes within the maintenance area have been completed from start to finish.

Bid submissions were checked for mathematical errors and conformity to the tender requirements. All tenders were found to be compliant.

### **Rationale:**

Winter maintenance of public roads within the City of Kawartha Lakes is maintained at a level of service as regulated and in accordance with the City's Roadway Level of Service Policy, based on road classification.

Winter maintenance activities covered under this policy include continuous plowing, spot plowing, continuous sanding/salting, spot sanding/salting, ice blading, winging back banks, snow removal and road patrolling during storm conditions.

These activities are weather dependent and based on the demand. Call-out is controlled by the Winter Control Command Centre or Area Supervisor as weather conditions dictate. Resources are deployed as soon as practicable to clear and maintain snow accumulation in accordance with the Level of Service Policy.

When compared to 2012 pricing, the per circuit bid increases for the Manvers and Omemee maintenance areas (321% and 141% respectively) result in an

estimated increase of \$309,000.00. If awarded, this would result in an estimated budget shortfall to the East Maintenance Area's contracted winter road plowing budget of \$269,616.00. Based upon these results the Public Works Department proposes to service these routes internally using pooled equipment and the hire of two additional temporary seasonal equipment operators (please refer to Attachment A for financial overview). The use of these pooled vehicles may affect the availability of replacement plow trucks when equipment breaks down, but increased fleet maintenance costs have been factored into the proposal.

Early in 2017 the Public Works department intends to review alternatives to complete this work within the intent of achieving long term sustainable costing while adhering to the approved Level of Service.

### **Other Alternatives Considered:**

During the upcoming 2016/2017 winter season, and pending the results of the proposed retender of this work in early 2017, Public Works staff will assess costs to determine the most fiscally responsible course of future action. Decisions may include specification modifications for contracted work, permanently performing some of this work with internal forces, or continuing to use contracted services or combinations of both.

### **Financial Considerations:**

Costs associated with winter maintenance services for specified secondary roads are allocated annually in the operating budgets for Public Works.

For budgeting purposes the department has included for approximately 40 winter events per winter season which starts November 1<sup>st</sup> of the current year, to April 15<sup>th</sup> of the following year.

As an example of expenses under this particular tender, the circuit pricing identified for plowing and sanding would be multiplied by 40 call outs. Winter activities are weather dependent and could increase or decrease depending on the severity of the winter season.

Contracted services for plowing and salting has increased since the last time this tender was released in 2012. Per circuit rates for Omemee/Thurstonia have increased by 141%, Manvers has increased by 321%, Mariposa/Woodville has increased by 290%, and Fenelon/Strugeon Lake has increased by 84%. As previously described in the Rationale section of this report, Public Works Operations Division is recommending that internal forces provide winter road maintenance to the secondary roads described in the tender for the communities of Omemee and Manvers. The estimated cost of providing this service with

internal forces is approximately \$106,500.00 (vs. the estimated \$351,000.00 to provide the service with contracted forces). Attachment A provides an overview of the financial considerations.

### **Relationship of Recommendation(s) To The 2016-2019 Strategic Plan:**

Tender 2016-91-OT, Winter Maintenance of Specified Secondary Roads aligns with the Corporate Strategic Goals – A Vibrant and Growing Economy; An Exceptional Quality of Life; and A Healthy Environment by providing a safe accessible road network in accordance with the City's approved level of service.

### **Review of Accessibility Implications of Any Development or Policy:**

Not applicable

### **Servicing Comments:**

Not applicable

### **Consultations:**

Nate Boudens, Manager West Maintenance Area  
Rodney Porter, Manager East Maintenance Area  
Todd Bryant, Manager Fleet Services

### **Attachments:**

Attachment A – Financial Overview – Secondary Roads Tender



Attachment A.pdf

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**E-Mail:** [brobinson@city.kawarthalakes.on.ca](mailto:brobinson@city.kawarthalakes.on.ca)

**Department Head:** Bryan Robinson, Director of Public Works

**Department File:** 2016-91-OT

## Attachment A: Financial Overview - Secondary Roads Tender

### Scenario #1

In this Scenario the communities of Sturgeon Lake, Thurstonia-Pigeon Lake, Manvers, Omamee, Fenelon Falls, and Mariposa-Woodville are contracted for winter road maintenance for forty (40) winter events

Maintenance Area	Proposed 2017 Budget for Contracted Plowing	Estimated Costs for Arterial Plow Route Contracts	Estimated Costs from Current Secondary Plow Route Bid	Variance
East	\$ 632,246.00	\$ 334,622.90	\$ 567,240.00	\$ (269,616.90)
West	\$ 468,092.00	\$ 271,305.90	\$ 141,800.00	\$ 54,986.10
Lindsay	\$ 72,523.00	\$ 77,736.25	\$ -	\$ (5,213.25)
Total Variance to Proposed 2017 Contracted Plowing Budget			\$ (219,844.05)	

## Attachment A: Financial Overview - Secondary Roads Tender

### Scenario #2

In this scenario the communities of Sturgeon Lake, Thurstonia-Pigeon Lake, Fenelon Falls, and Mariposa-Woodville are contracted for winter road maintenance. The communities of Manvers and Omamee are proposed to be serviced with internal forces.

Maintenance Area	Proposed 2017 Budget for Contracted Plowing	Estimated Costs for Arterial Plow Route Contracts	Estimated Costs from Current Secondary Plow Route Bid	Variance
East	\$ 632,246.00	\$ 334,622.90	\$ 216,240.00	\$ 81,383.10
West	\$ 468,092.00	\$ 271,305.90	\$ 141,800.00	\$ 54,986.10
Lindsay	\$ 72,523.00	\$ 77,736.25	\$ -	\$ (5,213.25)
			Sub-Total	\$ 131,155.95

### Internal Costs for:

	Hourly Rate incl. Payroll Burden	Overtime	# of Weeks/Winter Season	# Hours/Winter Season for two operators	Estimated Cost for Season
Two (2) Temporary Seasonal Equipment Operators	\$ 26.37	16%	23	1840	\$ 56,284.13
	Yearly Rate	Cost for 6 Months			
One (1) Single Axel Plow Truck for winter season	\$ 36,167.00	\$ 18,083.50			\$ 18,083.50
One (1) Tandem Axel Plow Truck for winter season	\$ 44,417.00	\$ 22,208.50			\$ 22,208.50
Estimated Material Costs					\$ 10,000.00
Estimated Internal Costs Sub-Total					\$ 106,576.13

Total Estimated Budget Variance Including Proposed Internal Costs. \$ 24,579.82