

The Corporation of the City of Kawartha Lakes

Council Report

Report Number PUR2016-051

Date: October 18, 2016
Time: 2:00 p.m.
Place: Council Chambers

Ward Community Identifier: All

Subject: Tender 2016-90-OT Winter Maintenance of Sidewalks in Specified Areas

Author: Debbie Ball, Buyer

Signature: 

Co-Author: Oliver Vigelius
Manager West B – PW

Signature: 

Recommendation(s):

RESOLVED THAT Report PUR2016-051, **Tender 2016-90-OT Winter Maintenance of Sidewalks in Specified Areas**, be received;

THAT Marquis Snow & Ice Ltd. of Oakwood be awarded the winter sidewalk maintenance areas of Cameron, Coboconk, Dunsford, Kirkfield, Lindsay SW and NW, Lindsay W (provisional item), Little Britain, Norland, Oakwood, Kinmount, Victoria Road, Cambray, Glenarm, and Valentia as identified in Tender 2016-90-OT Winter Maintenance of Sidewalks in Specified Areas;

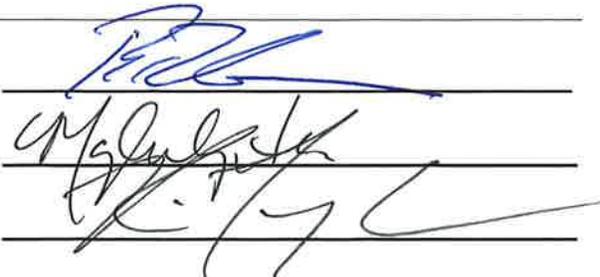
THAT Teels Aggregates of Woodville be awarded the maintenance areas of Woodville and Manilla as identified in Tender 2016-90-OT Winter Maintenance of Sidewalks in Specified Areas;

THAT the reconditioned Trackless unit and operator approved by CR2015-1345 be reassigned to provide winter sidewalk maintenance for the communities of Omemee, Bethany, Janetville, and Pontypool;

Department Head:

Corporate Services Director / Other:

Chief Administrative Officer:



THAT the overall proposed 2017 operating budget for winter sidewalk maintenance be increased by \$213,800.00 to enable the contract award; and

THAT subject to receipt of the required documents, the Mayor and City Clerk be authorized to execute the agreements to award Tender 2016-90-OT Winter Maintenance of Sidewalks in Specified Areas.

Background:

Request for Tender 2016-90-OT for Winter Maintenance of Sidewalks in Specified Areas was reissued following the cancellation of Tender 2016-84-OT that was reported at the October 4 Council meeting under Report PUR2016-049.

Tender 2016-90-OT was prepared and advertised in accordance with the Purchasing Policy.

Tender 2016-90-OT closed on Tuesday, October 11, 2016 and was opened in public by Mayor Andy Letham and Debbie Ball, Buyer.

The tender identified twenty-two (22) maintenance areas where services are required to clear snow, ice, and apply sand and/or salt for pedestrian safety, on specified sidewalks within the City of Kawartha Lakes. Three of these areas were identified as provisional and broken out separately and, pending sufficient budget may be added at time of award. Bidders were allowed to bid on one or more of the maintenance areas identified under this tender and the City also had the option to award one or more or none of the listed maintenance area routes.

Results at Opening:

The chart below identifies the maintenance areas bid and the amounts read at the public opening.

Tendered Amount Read at Public Opening						
Company	Price Per Circuit					
	Maintenance Area	Plowing Only	Plow & Sand	Plow & Salt	Sand Only	Salt Only
Teel Aggregates Woodville	Manilla	\$210.00	\$280.00	\$300.00	\$160.00	\$180.00
	Woodville	\$455.00	\$740.00	\$775.00	\$340.00	\$345.00
Fairview Trucking Inc. Cavan	Bethany	\$850.00	\$1,100.00	\$1,200.00	\$850.00	\$950.00
	Janetville	\$850.00	\$1,100.00	\$1,200.00	\$850.00	\$950.00
	Pontypool	\$850.00	\$1,100.00	\$1,200.00	\$850.00	\$950.00
Marquis Snow & Ice Ltd. Oakwood	Cameron	\$265.00	\$280.00	\$295.00	\$250.00	\$250.00
	Coboconk	\$900.00	\$960.00	\$1,050.00	\$890.00	\$990.00
	Dunsford	\$315.00	\$335.00	\$350.00	\$295.00	\$295.00
	Kirkfield	\$715.00	\$755.00	\$795.00	\$675.00	\$675.00
	Lindsay SW & NW	\$1,485.00	\$1,880.00	\$1,980.00	\$1,685.00	\$1,685.00
	Little Britain	\$545.00	\$575.00	\$605.00	\$515.00	\$515.00
	Norland	\$500.00	\$580.00	\$680.00	\$500.00	\$580.00
	Oakwood	\$545.00	\$575.00	\$605.00	\$515.00	\$515.00
	Omeme	\$1,075.00	\$1,395.00	\$1,395.00	\$1,015.00	\$1,015.00
	Kinmount	\$715.74	\$755.00	\$795.00	\$675.00	\$675.00
	Victoria Road	\$295.00	\$310.00	\$325.00	\$275.00	\$275.00
	Cambray	\$265.00	\$280.00	\$295.00	\$250.00	\$250.00
	Glenarm	\$265.00	\$280.00	\$295.00	\$250.00	\$250.00
	Valentia	\$265.00	\$280.00	\$295.00	\$250.00	\$250.00
	Lindsay W	\$1,785.00	\$1,880.00	\$1,980.00	\$1,685.00	\$1,685.00
Fenelon Falls	\$1,285.00	\$1,355.00	\$1,425.00	\$1,215.00	\$1,215.00	
Bobcaygeon	\$1,465.00	\$1,545.00	\$1,625.00	\$1,385.00	\$1,385.00	

(Provisional Areas indicated in green highlighting)

Bids were received for all maintenance areas. Bid submissions were compliant to the tender requirements.

The award of this tender is based on circuit pricing. A circuit of service is defined as all sidewalks identified within the awarded maintenance area being plowed and/or receiving 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.

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 with no performance surety requested. In the former Tender 2016-84-OT a \$5,000.00 tender surety was required per tender followed by a \$2,000.00 performance surety to be submitted per maintenance area awarded.

Tender 2016-90-OT yielded the same bid results for Manilla, Woodville, Bethany, Janetville and Pontypool maintenance areas.

The tender received from Marquis Snow & Ice included more maintenance areas bid than in the former Tender 2016-84-OT. If the additional areas included in the current tender are not considered in an analysis of the two tenders, then there was an overall reduction in cost per event of \$384 (using plow and salt as the unit rate of measure).

Rationale:

Winter maintenance of sidewalks within the City of Kawartha Lakes is maintained at a level of service as regulated and in accordance with the City's Level of Service Policy.

Call-out is controlled by the Winter Control Command Centre or Area Supervisor. Resources are deployed as soon as practicable to clear and maintain snow accumulation. The number of times a Contractor is called upon to supply these services is subject to weather conditions.

The City is recommending that Tender 2016-90-OT for the Winter Maintenance of Sidewalks in Specified Areas be awarded as follows:

- Marquis Snow & Ice Ltd.Oakwood
 - a) Cameron
 - b) Coboconk
 - c) Dunsford
 - d) Kirkfield
 - e) Lindsay SW and NW
 - f) Lindsay W (provisional item)
 - g) Little Britain
 - h) Norland
 - i) Oakwood
 - j) Kinmount
 - k) Victoria Road
 - l) Cambray
 - m) Glenarm
 - n) Valentia

- Teels Aggregates Woodville
 - a) Manilla
 - b) Woodville

On Tuesday December 8, 2015, the Department of Public Works brought forward report 2015-007 Core Service Review – Winter Sidewalk Maintenance with the following council resolution:

Moved by Councillor Elmslie, seconded by Councillor Miller,

RESOLVED THAT Report PLAN2015-007, **Core Service Review - Winter Sidewalk Maintenance**, be received;

THAT the revised Level of Service Policy 125 EPW 011 Sidewalk Level of Service Policy - Winter Maintenance (previously named Roadway Level of Service Policy - Winter Maintenance - Sidewalks), be approved;

THAT \$35,000.00 for the reconditioning of one existing Trackless sidewalk machine for use in Lindsay for winter sidewalk maintenance during the 2016/2017 winter season to be funded from the City Capital Reserve, be approved;

THAT the hiring of one (1) additional Roads Labourer for an estimated 395 hours at a cost of \$16,144.00 for November and December of the 2016 operating budget year for winter sidewalk maintenance in Lindsay, be approved; and

THAT the inclusion of contracted winter sidewalk maintenance in the 2016 operating budget year for the communities of Victoria Road, Cambray, Cameron, Glenarm, Dunsford and Lorneville, be approved.

CARRIED CR2015-1345

Staff proposes to assign the reconditioned trackless unit and operator to service the communities of Omemee, Bethany, Pontypool, and Janetville and to contract the West sidewalk route in Lindsay.

Pricing received for winter sidewalk maintenance for Lindsay West route increased by 10% compared to previous rates, while the rates increased in Omemee by 143%, in Bethany by 346%, in Janetville by 503%, and in Pontypool by 330%. This reallocation of resources will result in an estimated cost avoidance of \$113,600.00 (when balanced against the increased contracted winter sidewalk maintenance costs in Lindsay).

There will be an additional internal cost of approximately \$7,000.00 for the use of a pooled one-ton truck to float the trackless unit from community to community; all other internal equipment and labour is already accounted for in the proposed Public Works Roads' operating budget for 2017. This will result in a remaining estimated budget shortfall of \$213,800.00. Please refer to attachment A for a financial overview.

Other Alternatives Considered:

Council resolution CR2015-1345 approved the addition of winter sidewalk maintenance for six (6) communities which had not historically received this service (Cameron, Dunsford, Victoria Road, Cambray, Glenarm and Valentia). Should Council opt to reverse this decision, the removal of these communities from the tender award could result in an estimated cost avoidance of \$60,200.00, which would result in an estimated remaining budget shortfall of \$153,600.00 to the proposed 2017 contracted winter sidewalk maintenance budget.

Should Council decide to act on this alternative, the following resolutions shall be deleted:

THAT Marquis Snow & Ice Ltd. of Oakwood be awarded the winter sidewalk maintenance areas of Cameron, Coboconk, Dunsford, Kirkfield, Lindsay SW and NW, Lindsay W (provisional item), Little Britain, Norland, Oakwood, Kinmount, Victoria Road, Cambray, Glenarm, and Valentia as identified in Tender 2016-90-OT Winter Maintenance of Sidewalks in Specified Areas;

THAT the overall proposed 2017 operating budget for winter sidewalk maintenance be increased by \$213,800.00 to enable the contract award.

And shall be replaced with the following resolutions:

THAT Marquis Snow & Ice Ltd. of Oakwood be awarded the winter sidewalk maintenance areas of Coboconk, Kirkfield, Lindsay SW and NW, Lindsay W (provisional item), Little Britain, Norland, Oakwood, and Kinmount as identified in Tender 2016-90-OT Winter Maintenance of Sidewalks in Specified Areas;

THAT the overall proposed 2017 operating budget for winter sidewalk maintenance be increased by \$153,600.00 to enable the contract award.

Financial Considerations:

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

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

As an example of expenses under this particular tender, the circuit pricing identified for plowing and salting would be multiplied by 40 call outs. Winter activities are weather dependent and could increase or decrease depending on whether we experience a harsh winter season, or not.

Contracted services for plowing and sanding has increased by an average of 101 percent from the last time this tender was released in 2012 to the pricing received from the marketplace in response to this tender. The tendered amounts received in the current tender exceed the proposed 2017 budget amounts for every route. No competing bids were received for any individual route. If all routes were awarded as bid it would result in an estimated increase of \$327,400.00 (131%) over the proposed 2017 budget amount of \$250,000.00 (resulting in a total estimated budget for contracted winter sidewalk maintenance of \$577,400.00).

Staff proposes to assign the reconditioned trackless unit (approved by CR2015-1345 see rationale above) and operator to service the communities of Omemee, Bethany, Pontypool, and Janetville and to contract the West sidewalk route in Lindsay. Pricing received from Marquis Snow and Ice Ltd. of Oakwood for winter sidewalk maintenance for Lindsay West route increased by 10% compared to previous rates, while the rates increased in Omemee by 143%, in Bethany by 346%, in Janetville by 503%, and in Pontypool by 330%. This reallocation of resources will result in an estimated cost avoidance of \$113,600.00 (when balanced against the increased contracted winter sidewalk maintenance costs in Lindsay). There will be an additional internal cost of approximately \$7,000.00 for the use of a pooled one-ton truck to float the Trackless unit from community to community; all other internal equipment and labour is already accounted for in the proposed Public Works Roads' operating budget for 2017. This will result in a remaining estimated budget shortfall of \$213,800.00.

Through this report Staff requested an increase to the 2017 operating budget as a result of the award of this contract. As the winter control season begins in 2016 the award will also have an impact on the 2016 budget. Without the ability to adjust the 2016 budget, Staff will continue to manage 2016 operating budgets to the bottom line and will make the necessary adjustments to work programs to facilitate the work.

Considering the time and impending winter season, Staff recommends award of this tender. Staff will continue to review alternatives in both procurement and implementation, in order to control costs for future seasons.

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

This report aligns with the following initiatives within the Council adopted Strategic Plan, namely:

- Goal 1 – A Vibrant and Growing Economy – Enhancing tourism through year round pedestrian access
- Goal 2 – An Exceptional Quality of Life – Improving wellness through improved walkability and accessibility.

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



Attachment A -
Financial Overview.pdf

Phone: 705-324-9411 ext. 1143
E-Mail: brobinson@city.kawarthalakes.on.ca
Department Head: Bryan Robinson, Director of Public Works
Department File: 2016-90-OT

Attachment A

Winter Sidewalk Analysis of Costs for Tender 2016-90-OT

Option #1

In this scenario the maintenance areas in question are awarded to the contractors who bid them (there are no low bids as no competitive bids were received). The Lindsay route (Lindsay West) is taken in-house as planned last year (it was previously contracted)

# of Events	40		Estimated cost for season	Proposed 2017 Budget Amounts	Variance to Budget
	Bid				
		\$/Circuit	Extension	Totals	
Bethany	\$1,200.00	\$ 48,000.00	\$ 199,800.00	\$ 50,000.00	\$ (149,800.00)
Janetville	\$1,200.00	\$ 48,000.00			
Pontypool	\$1,200.00	\$ 48,000.00			
Omemee	\$1,395.00	\$ 55,800.00	\$ 79,200.00	\$ 60,000.00	\$ (19,200.00)
Lindsay SW & NW	\$1,980.00	\$ 79,200.00			
Lindsay W	\$1,980.00	\$ -			
Totals			\$ 279,000.00	\$ 110,000.00	\$ (169,000.00)

Option #2 (Cost avoidance)

In this scenario the refurbished Trackless unit and operator which was supposed to take over a previously contracted route in Lindsay (Lindsay West) is reassigned to service the communities of Omemee, Bethany, Janetville, and Pontypool. It will be floated from community to community using a trailer that is already included in PW budget. An additional 1Ton truck will be required; Fleet Services currently has one pooled 1Ton. Costs are included below. All other internal costs are already included in PW Winter Budget.

	Bid \$/Circuit	Estimated cost for season		Proposed 2017 Budget Amounts	Variance to Budget
		Extension	Totals		
		Bethany	\$1,200.00	\$ -	\$ -
Janetville	\$1,200.00	\$ -			
Pontypool	\$1,200.00	\$ -			
Omemee	\$1,395.00	\$ -	\$ 158,400.00	\$ 60,000.00	\$ (98,400.00)
Lindsay SW & NW	\$1,980.00	\$ 79,200.00			
Lindsay W	\$1,980.00	\$ 79,200.00			
Cost of 1Ton truck for winter season			\$ 7,000.00	\$ -	\$ (7,000.00)
Totals			\$ 165,400.00	\$ 110,000.00	\$ (55,400.00)

	\$	(169,000.00)
Cost Avoidance between Option #1 and Option #2	- \$	(55,400.00)
	\$	(113,600.00)