

Municipality Of Chatham-Kent
Infrastructure and Engineering Services
Public Works

To: Mayor and Members of Council

From: Dennis Chepeka
Manager, Public Works North

Date: April 27, 2015

Subject: Correction to Tender Award: T15-103 Supply and Place Gravel

Recommendations

It is recommended that:

1. The award approved for Item 10 from March 12, 2015 for the haul of 13,011 tonnes of 0-5/8" granular "M" stone from the Harwich Gravel Pit for the Kent Centre division be changed from Rene Blain at the per tonne unit cost of \$3.55 to Johnston Bros. (Bothwell) Ltd. for the per tonne unit price of \$2.93.
2. The Mayor and Clerk be authorized to sign the necessary agreement.

Background and Comments

On March 12, 2015 tenders were received for T15-103 Supply and Place Gravel. There were five (5) tenders received. The tender calls for the supply and haul or haul only of 169,411 tonnes of granular "A" and "M" to various roads in Chatham-Kent.

Following approval of the original report (see Appendix A), a calculation error was found in the award of item 2-2 (Haul 0-5/8" granular "M" from Harwich Gravel Pit for Area 1C – Kent Centre Division). The item was incorrectly awarded to Rene Blain Trucking Inc. at the per tonne unit cost of \$3.55, but should have been awarded to Johnson Bros. (Bothwell) Ltd. at a per tonne unit cost of \$2.93. The purpose of this report is to correct that error.

Council Directions

The recommendation in this report supports the following Council Directions:

- ☐ **Jobs:**
Everyone in Chatham-Kent who wants to work is able to work in meaningful employment
- ☐ **People:**
Chatham-Kent is a welcoming community where people choose to live, learn, work, and play

☐ **Health:**

Chatham-Kent is a healthy, active, safe, accessible community within a healthy natural and built environment

☒ **Financial Sustainability:**

The Corporation of the Municipality of Chatham-Kent is financially sustainable

☐ Has the potential to support **all** Council Directions

☐ Neutral issues (does not support negatively or positively)

Consultation

Legal Services and the Purchasing Officer were consulted and have reviewed the recommendations.

Financial Implications

The corrected 2015 base gravel budget is as follows:

2015 Lifecycle Budget	\$ 3,084,147.03
2015 Gravel Tender Award	\$ 3,037,198.00
Variance	-\$ 46,949.03
Funds from South Kent Wind Restoration	62,742.55
Actual Variance	\$ 15,793.52

Prepared by:

Reviewed by:

Dennis Chepeka
Manager, Public Works North

Miguel Pelletier, CD, P.Eng, PMP, MBA
Director, Public Works

Reviewed by:

Thomas Kelly, P.Eng, MBA
General Manager
Infrastructure and Engineering Services

Attachment: Appendix A – Tender Award: T15-103 Supply and Place Gravel

C: Purchasing Officer, Financial Services
Solicitor, Legislative Services

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T15-103 Supply And Place Gravel.Doc

Municipality Of Chatham-Kent
Infrastructure and Engineering Services
Public Works

To: Mayor and Members of Council

From: Dennis Chepeka
Manager, Public Works North

Date: March 8, 2015

Subject: Tender Award: T15-103 Supply and Place Gravel

Recommendations

It is recommended that:

1. The low tender of Rene Blain Trucking Ltd. for the per tonne unit price of \$19.88 be accepted for the supply and haul of 10,000 tonnes of 100% crushed dolomite quarry stone 0-5/8" granular "M" for the Dover division.
2. The low tender of Rene Blain Trucking Ltd. for the per tonne unit price of \$18.17 be accepted for the supply and haul of 7,130 tonnes of 0-3/4" granular "A" for the Dover division.
3. The low tender of Rene Blain Trucking Ltd. for the per tonne unit price of \$19.89 be accepted for the supply and haul of 19,300 tonnes of 100% crushed dolomite quarry stone 0-5/8" granular "M" for the Chatham Township division.
4. The low tender of Rene Blain Trucking Ltd. for the per tonne unit price of \$20.45 be accepted for the supply and haul of 3,470 tonnes of 100% crushed dolomite quarry stone 0-1/2" granular "M" (Dawn Blend) for the Chatham Township division.
5. The low tender of Johnston Bros. (Bothwell) Ltd. for the per tonne unit price of \$16.18 be accepted for the supply and haul of 16,840 tonnes of 0-5/8" granular "M" for the Thamesville division.
6. The low tender of Rene Blain Trucking Ltd. for the per tonne unit price of \$16.32 be accepted for the supply and haul of 19,600 tonnes of 0-3/4" limestone "A" for the Tilbury East division.
7. The low tender of Rene Blain Trucking Ltd. for the per tonne unit price of \$17.32 be accepted for the supply and haul of 10,250 tonnes of 0-3/4" limestone "A" for the Raleigh division.

8. The low tender of Huron Construction for the per tonne unit price of \$16.70 be accepted for the supply and haul of 6,664 tonnes of 0-5/8" granular "M" for the Kent Centre division.
9. The low tender of Sykes Trucking Ltd. for the per tonne unit price of \$4.27 be accepted for the haul of 20,600 tonnes of 0-5/8" granular "M" stone from the Harwich Gravel Pit for the Raleigh division.
10. The low tender of Rene Blaine Trucking Ltd. for the per tonne unit price of \$3.55 be accepted for the haul of 13,011 tonnes of 0-5/8" granular "M" stone from the Harwich Gravel Pit for the Kent Centre division.
11. The low tender of Johnston Bros. (Bothwell) Ltd. for the per tonne unit price of \$3.33 be accepted for the haul of 28,815 tonnes of 0-5/8" granular "M" stone from the Harwich Gravel Pit for the Ridgetown division.
12. The low tender of Johnston Bros. (Bothwell) Ltd. for the per tonne unit price of \$34.43 be accepted for the haul of 7,000 tonnes of 0-5/8" granular "A" stone from the Harwich Gravel Pit for stockpile materials at all garages.

Background

On March 12, 2015 tenders were received for T15-103 Supply and Place Gravel. There were five (5) tenders received. The tender calls for the supply and haul or haul only of 169,411 tonnes of granular "A" and "M" to various roads in Chatham-Kent.

Included in the tender items were provisional quotes for the supply and haul of 7,310 tonne of 0-3/4" granular "A" Limestone to the Dover division and 3,470 tonnes of 0-1/2" limestone "A" (Dawn Blend) to the Chatham Township division. These alternative granular types will be applied to specific roads and will be monitored by area Road Supervisors to compare durability and maintenance costs for future consideration.

The South Kent Wind Project has provided funding to supply and place 4,200 tonnes of maintenance gravel in the Kent Centre and Raleigh Divisions at a cost of approximately \$62,742 in order to rehabilitate roads damaged during construction of their wind turbines. It has been included in this contract to take advantage of pricing and efficiencies. The gravel will be placed at the same time as the application of the regular maintenance gravel.

There are 1,750 km of gravel road to resurface, and we are resurfacing on average every three to five years, depending on traffic volume and maintenance demand of each road.

Comments

The total tender quantity of 169,411 tonnes was reduced by 6,880 tonnes (4%) in order to remain within budget. Therefore, Appendix A (attached) would be the final 2015

gravel program. Based on the results of the tender, administration recommends that Council approve the unit prices quoted in the tender.

The roads missed this year due to the deficit (see table below) will be added to next year's program. A request for additional funding will be included in 2016 budget deliberations.

2015 Impact of Gravel Reduction (by Division)

Division	% of Total Gravel Roads	% Shortfall on Service Level (KM of Road)	2015 KM Roads Impacted (300 Tonne/KM)
Dover	10.43%	-20.00%	-14.17
Chatham Township	16.14%	-19.50%	-18.43
Thamesville	12.20%	-8.00%	-4.87
Ridgetown	19.76%	-16.50%	-18.95
Kent Centre	13.47%	-16.50%	-13.00
Raleigh	14.10%	25.00%	20.50
Tilbury East	13.90%	-20.00%	-16.00

The increased cost of material since amalgamation has decreased the maintenance cycle on gravel roads from once every 2.5 years at amalgamation to once every 3.2 years presently. In order to maintain the gravel roads efficiently, once every three years at minimum is essential. An increase of 13,000 tonnes would be required to achieve this level of service. At an average 2015 material cost of \$19 per tonne, this would require a budget increase of \$250,000 per year plus inflation.

Council Directions

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- ☐ **Financial Sustainability:**
The Corporation of the Municipality of Chatham-Kent is financially sustainable
- ☒ Has the potential to support **all** Council Directions
- ☐ Neutral issues (does not support negatively or positively)

Consultation

The Tenders were opened by the Purchasing Officer, and reviewed by the Manager of Public Works North, Infrastructure and Engineering Services.

Financial Implications

The 2015 base gravel budget is as follows:

2015 Lifecycle Gravel Budget	\$3,037,198.00
2015 Gravel Tender Award	\$3,092,370.89
Variance	(\$55,172.89)
Funding from South Kent Wind	\$62,742.55
Actual Variance	\$7,569.66

The South Kent Wind Project provided \$62,742.55 to place 4,200 tonnes of maintenance gravel in the Kent Center and Raleigh divisions.

Based on a formula of 1,750 km on a three-year cycle at 300 tonnes per km, the annual requirement is approximately 175,000 tonnes. This translates to an overall annual shortfall of approximately 13,000 tonnes of material (approximately \$260,000) to be able to resurface the gravel road system on a three-year cycle. A historical summary from 1999 to 2015 including average cost per tonne is attached as Appendix B.

Prepared by: Reviewed by:

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Manager, Public Works North

Miguel Pelletier, CD, P.Eng PMP, MBA
Director, Public Works

Reviewed by:

Thomas Kelly, P.Eng. MBA
General Manager
Infrastructure and Engineering Services

Attachments: Appendix A - T15-103 Bid Comparison
Appendix B - 1999 to 2015 Gravel Summary

C General Manager, Infrastructure and Engineering Services

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Supply And Place Gravel.Doc

T15-103 Supply and Place Gravel
Bid comparison and low bids for 2015

Appendix A

		Sykes Trucking Ltd.		Rene Blain Trucking Ltd.		Huron Construction Co. Ltd.		Southwestern Sales Corp. Ltd.		Johnston Bros. (Bothwell) Ltd.		Jeff Shepley Excavating Ltd.		TotalCost
Bid Item		Unit Price	Total	Unit Price	Total	Unit Price	Total	Unit Price	Total	Unit Price	Total	Unit Price	Total	
1	Dover - Area 2A Dover Division;supply & haul 100% crushed dolomite quarry stone 0-5/8" granular "M"	no bid		\$19.88	\$ 198,800.00	no bid		\$20.40		no bid		no bid		\$198,800.00
1a	Dover - Area 2A Dover Division;supply & haul 0-3/4 limestone A	no bid		\$18.17	\$ 129,552.10	no bid		\$19.60		no bid		no bid		\$129,552.10
2	Chatham Township - Area 2B Chatham Township Divison;supply & haul 100% crushed dolomite quarry stone 0-5/8" granular "M"	no bid		\$19.89	\$ 383,877.00	no bid		\$20.40		no bid		no bid		\$383,877.00
2a	Chatham Township - Area 2B Chatham Township Divison;supply & haul 100% crushed dolomite quarry stone 0-1/2	no bid		\$20.45	\$ 70,961.50	no bid		\$20.70		no bid		no bid		\$70,961.50
3	Thamesville - Area 2C Thamesville Division; supply and haul 0-5/8" granular "M"	no bid		no bid		no bid		no bid		\$16.18	\$ 272,471.20		\$ -	\$272,471.20
4	Tilbury East - Area 1A Tilbury East Division; supply and haul 0-3/4" limestone "A"	no bid		\$16.32	\$ 319,872.00	no bid		no bid		no bid		\$17.81		\$319,872.00
5	Raleigh - Area 1B Raleigh Division; supply and haul 0-3/4" limestone "A"	no bid		\$17.32	\$ 177,530.00	no bid		no bid		no bid		\$18.81		\$177,530.00
6	Kent Centre - Area 1C Kent Centre Division; supply and haul 0-5/8" granular "M"	no bid		no bid		\$16.70	\$ 111,288.80	no bid		no bid		no bid		\$111,288.80
7	Raleigh - Area 1B Haul 0-5/8" granular "M" from Harwich Gravel Pit	\$4.27	\$ 87,962.00	\$4.35		no bid		no bid		no bid		no bid		\$87,962.00
8	Kent Centre - Area 1C Haul 0-5/8" granular "M" from Harwich Gravel Pit	no bid		\$3.55	\$ 46,189.05	no bid		no bid		no bid		no bid		\$46,189.05
9	Ridgetown - Area 1D Ridgetown Division; haul 0-5/8" granular "M" from Harwich Gravel Pit	no bid		no bid		no bid		no bid		\$3.33	\$ 95,953.95	no bid		\$95,953.95
10	All - Stockpile haul and stockpile 0-3/4" granular "A" from Harwich Gravel Pit to various locations within Chatham	\$ 4.50		\$4.55		no bid		no bid		\$4.43	\$ 31,010.00	no bid		\$31,010.00
Total			162,680											\$1,925,467.60

Year	2015
Total Quantity	162,680
Average Price/Tonne	\$19.02
Tender Total (without HST)	\$1,925,467.60
Non-Recoverable Portion of HST	\$33,888.50
Total Gravel Pit cost	1,133,000.00
Tender Budget Total	\$3,092,355.60
Budget Total 2015	\$3,037,198.00
Variance	-\$55,157.60
Funds from Renewal Energy Systems	
Restoration	\$31,354.40
Fundd from South Kent Wind Restoration	\$31,388.15
Actual Variance	\$7,584.95

**Supply and Place Gravel
1999 to 2015 Historical Summary**

Year	Tonnes	Tender Amount	Average per Tonne
1999	217,860	\$ 2,246,675	\$ 10.31
2000	227,500	\$ 2,361,908	\$ 10.38
2001	227,500	\$ 2,462,487	\$ 10.82
2002	220,600	\$ 2,352,142	\$ 10.66
2003	220,300	\$ 2,446,244	\$ 11.10
2004	219,400	\$ 2,446,346	\$ 11.15
2005	217,200	\$ 2,508,308	\$ 11.54
2006	216,425	\$ 2,552,182	\$ 11.79
2007	213,690	\$ 2,648,707	\$ 12.39
2008	200,798	\$ 2,752,530	\$ 13.70
2009	200,785	\$ 2,814,517	\$ 14.10
2010	199,700	\$ 2,929,900	\$ 14.99
2011	197,060	\$ 2,999,896	\$ 15.22
2012	193,375	\$ 3,011,909	\$ 15.58
2013	191,434	\$ 3,031,770	\$ 15.84
2014	169,354	\$ 3,184,075	\$ 18.80
2015	162,680	\$ 3,092,355	\$ 19.00

*Total tender amount includes HST and Gravel Pit operating costs

The 2015 cost per tonne average has increased by \$0.20 per tonne from the 2014 average.
 2,100 Tonnes to be funded by Renewable Energy System Wind Farm for road restoration.
 2,100 Tonnes to be funded by South Kent Wind Farm for road restoration.