Agenda - Executive Policy Committee - September 21, 2005

Reports - Standing Policy Committee on Public Works - September 13, 2005

Item No. 1 Award of Contracts for Snow Clearing on Regional and Local Streets during the 2005/2006/2007 Winter Seasons
File GL-9

STANDING COMMITTEE RECOMMENDATION:

On September 13, 2005, the Standing Policy Committee on Public Works concurred in the administrative recommendation and submits the following to Council:

1. That the following contracts be awarded to the bidders which submitted the lowest evaluated responsive bids meeting all of the requirements of the published Bid Opportunities for Snow Clearing on Regional and Local Streets in the respective areas of the City of Winnipeg, namely:

Bid Opportunity	Area	Contractor	Total Bid Price
399-2005	South Area (West)	Hugh Munro Construction Ltd.	$527,287.50
400-2005	South Area (East)	Kodiak Construction Ltd.	$516,318.00
401-2005	North Area (West)	Mulder Construction & Materials Ltd.	$589,943.15
402-2005	North Area (East)	C.J. Rental & Contracting Ltd.	$666,169.50

2. That the Manager of Materials be authorized to issue Purchase Orders for the above Contracts.

3. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Agenda - Executive Policy Committee - September 21, 2005

Reports - Standing Policy Committee on Public Works - September 13, 2005

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On September 13, 2005, the Standing Policy Committee on Public Works concurred in the administrative recommendation and submitted the matter to the Executive Policy Committee and Council.

ADMINISTRATIVE REPORT

RE: AWARD OF CONTRACTS FOR SNOW CLEARING ON REGIONAL AND LOCAL STREETS DURING THE 2005/2006/2007 WINTER SEASONS

FOR SUBMISSION TO: **STANDING POLICY COMMITTEE ON PUBLIC WORKS**

ORIGINAL REPORT SIGNED BY: **L.S.W. Larkin, P. Eng., Director of Public Works**

REPORT DATE: **August 29, 2005**

RECOMMENDATION(S):

1. That Contracts be awarded to the Bidders which submitted the lowest evaluated responsive bids meeting all of the requirements of the published Bid Opportunities for Snow Clearing on Regional and Local Streets in the respective areas of the City of Winnipeg.

Bid Opportunity	Area	Contractor	Total Bid Price
399-2005	South Area (West)	Hugh Munro Construction Ltd.	$527,287.50
400-2005	South Area (East)	Kodiak Construction Ltd.	$516,318.00
401-2005	North Area (West)	Mulder Construction & Materials Ltd.	$589,943.15
402-2005	North Area (East)	C.J. Rental & Contracting Ltd.	$666,169.50

2. That the Manager of Materials be authorized to issue Purchase Orders for the above Contracts.

REPORT SUMMARY:

Key Issues:

- These are standard 2-year snow contracts that span three fiscal years of funding. This Award of Contracts will facilitate the snow clearing on Regional and Local streets during the 2005/2006/2007 winter seasons.

Implications of the Recommendation(s):

General Implications:

[X] None
[ ] For the organization overall and/or other departments
[ ] For the community and/or organizations external to the City
[ ] Involves a multi-year contract

Comments:

Policy Implications:

[X] No
[ ] Yes

Comments:

Environmental Implications:

[X] No
[ ] Yes

Comments:

Human Resource Implications:

[X] No
[ ] Yes

Comments:

Financial Implications:

[ ] Within approved current and/or capital budget
[X] Current and/or capital budget adjustment needed

Comments:

Additional funding will be required in the 2005 Current Budget for Snow and Ice Control to enable the Public Works Department to undertake this winter's snow and ice control activities in accordance with the City's Snow Policy. As of June 30, 2005, the Department was forecasting the snow and ice control expenditures for 2005 to be $23.4M against a budget of $14.1M for a shortfall of $9.3M. The requirements for future years will be budgeted in the 2006 and 2007 Current Estimates for Snow Clearing and Ice Control.

REASON FOR THE REPORT:

The award of a multi-year contract must be authorized by Council in accordance with Section B.8.2.3 of the City's Materials Management Policy.

HISTORY:

A mix of City forces and private equipment is absolutely necessary to provide the quality level of service for snow clearing and ice control that our citizens demand. As a result, the City has awarded similar snow contracts over the past 20 years.

DISCUSSION:

Bids for the clearing and hauling of snow were received from a total of five (5) contractors and a summary of the bid submissions for each contract can be found in Appendix A of this report. The Bid Submission recommended for acceptance in each case is the lowest evaluated responsive bid meeting all of the requirements of the specifications.

The historical average unit price changes for the last ten seasons are as follows:

2005/2006 over 2004/2005	5.6% Increase
2004/2005 over 2003/2004	6.3% Increase
2003/2004 over 2002/2003	0.2% Reduction
2002/2003 over 2001/2002	1.3% Reduction
2001/2002 over 2000/2001	4.6% Increase
2000/2001 over 1999/2000	0.5% Increase
1999/2000 over 1998/99	1.0% Increase
1998/99 over 1997/98	6.5% Reduction

1997/98 over 1996/97	1.9% Reduction
1996/97 over 1995/96	24.8% Increase

The lapse dates of the four bid opportunities are November 16, 2005 for Bid Opportunity No. 399-2005; November 18, 2005 for Bid Opportunity No. 400-2005, November 23, 2005 for Bid Opportunity No. 401-2005, and November 25, 2005 for Bid Opportunity No. 402-2005. It should be noted that the contract services are expected to commence on October 15, 2005, in the event of snowfall, as identified in the bid opportunity documents. Notwithstanding the lapse dates, it is intended that the contracts will be awarded prior to the October 15, 2005 date.

The requirements for a Bid and Performance Securities and the execution of formal contracts were waived for these purchases in accordance with the authority delegated to the Manager of Materials pursuant to Administrative Directive FM-002. The contracts will be awarded by issuing purchase orders.

Three of the proposed Contractors are COR (Certificate of Recognition) certified with the Manitoba Heavy Construction Association as follows:

	COR Registration Number
Hugh Munro Construction Ltd.	MH041126H
Kodiak Construction Ltd.	MH041105K
Mulder Construction & Materials Ltd.	MH030915M

C.J. Rentals & Contracting Ltd. has engaged T.E.L. Training & Equipment Logistics to evaluate it's safety and health programs. T.E.L. Training & Equipment Logistics has provided a report indicating that C.J. Rentals & Contracting Ltd. has a workplace safety and health program meeting the requirements of "The Workplace Safety and Health Act" of Manitoba.

The City will have to approve additional funding to carry out snow and ice control activities for the balance of this year. Fortunately, the Snow Reserve Fund was established for situations where the nature of the winter snowfall results in extraordinary expenditures. This fund will be considered as one potential source of additional funding. As of June 30, 2005, the balance in the Snow Reserve Fund was $3,308,403. The additional funding that will be required will cover the remaining expenditures for the contracts in 2005. The requirements for future years will be budgeted in the 2006 and 2007 Current Estimates for Snow Clearing and Ice Control.

The recommended low bidders have the necessary resources and experience to complete the Contracts and have carried out previous contract works of a similar nature for the City of Winnipeg. All of the documents of the low bidders are in order.

The Contracts that are being recommended for award are unit price maintenance service contracts. The total amount of the bids will not necessarily be the total value of the work completed and paid. All payments will be dependent on the quantity of snowfall

received in the 2005/2006 and the 2006/2007 winter seasons. However, the minimum amount that will be paid to the Contractors would be based on the 40% guaranteed minimum payment in the Contracts.

It is, therefore, recommended that contracts be awarded to the Contractors identified for snow clearing on Regional and Local Streets in the respective Areas of the City of Winnipeg.

Financial Impact Statement

Date: August 26, 2005

Project Name: **First Year of Program** **2005**

Award of Contracts for Snow Clearing on Regional and Local Streets During the 2005/2006/2007 Winter Seasons

	2005	2006	2007	2008	2009
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 459,944	$ 1,149,859	$ 689,915	$ -	$ -
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ 459,944	$ 1,149,859	$ 689,915	$ -	$ -
Less: Existing Budget Amounts	-	1,149,859	689,915	-	-
Net Budget Adjustment Required	$ 459,944	$ -	$ -	$ -	$ -

Additional Comments: Additional funding will be required in the 2005 Current Budget for Snow and Ice Control to enable the Public Works Department to undertake this winter's snow and ice control activities in accordance with the City's Snow Policy. As at June 30, 2005 the Department was forecasting total snow and ice control costs of $23.4M against a budget of $14.1M, for a shortfall of $9.3M. The requirements for future years will be budgeted in the 2006 and 2007 Current Estimates for Snow Clearing and Ice Control.

"Original Signed by Darcy Stewart, CA"

Manager of Finance & Administration
Darcy Stewart, CA

4008

Approved by Accounting Technician III: X

IN PREPARING THIS REPORT THERE WAS CONSULTATION WITH, AND CONCURRENCE BY:

Legal Services Division, Corporate Services Department; and,
Materials Management Division, Corporate Finance Department

THIS REPORT SUBMITTED BY:

Department: Public Works
Division: Streets Maintenance
Prepared by: K.R. Boyd, P. Eng.
File No.

SUMMARY OF SNOW CLEARING TOTAL BID PRICES (2005)

APPENDIX A

		BIDDERS				
AREA	BID OPPORTUNITY NO.	Hugh Munro Construction Ltd.	Kodiak Construction Ltd.	Mulder Construction & Materials Ltd.	C. J. Rental & Contracting Ltd.	L. Chabot Enterprises Ltd
SOUTH (W)	399-2005	***$527,287.50***	$561,100.10		$896,660.00	$711,660.06
SOUTH (E)	400-2005	$536,521.02	***$516,318.00***		$799,035.00	$657,223.00
NORTH (W)	401-2005			***$589,943.15***	$745,710.20	$746,989.25
NORTH (E)	402-2005				***$666,169.50***	$669,672.98

NOTE: Low Bid Price Indicated in **Bold** and ***Italics.***