Award of Contracts for Snow Clearing on Regional and Local Streets during the 2002/2003/2004 Winter Seasons
File GL-9 (Vol. 18), SC-3.6 (Vol. 19)

2. The Standing Policy Committee on Public Works has been advised that funding in the amount of $14,227,374.00 was approved for Snow and Ice Control in the 2002 Current Estimates adopted by Council. To date, approximately $7,727,000.00 has been expended.

Tenders for Snow Clearing on the Regional and Local Street Systems were advertised on Monday, June 24, 2002. The contracts were priced primarily on the basis of one snow clearing operation on the Priority I (Regional) street system, three clearing operations on the Priority II (Bus Route and Collector) street system and three snow clearing operations on the Priority III (Residential) street system which is considered representative of the average work requirement based on the experience of the last ten years. Hourly equipment work for truck plows, snow hauling and loader and grader works was also included in the contracts.

Bids for the clearing and hauling of snow were received from five (5) contractors and a summary of the tender submissions for each contract is outlined on Attachment "A". The Tender 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:

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
1995/96 over 1994/95	2.2% Increase
1994/95 over 1993/94	2.2% Increase
1993/94 over 1992/93	2.8% Increase

The lapse dates of the three tenders are November 9, 2002 for Tender No. 476-2002; November 13, 2002 for Tender No. 477-2002; and November 15, 2002 for Tender No. 478-2002. It should be noted that the contract services are expected to commence on October 15, 2002, in the event of snowfall, as identified in the tender documents. Notwithstanding the lapse dates, it is intended that the contracts will be awarded prior to the October 15, 2002 date.

The requirements for a Bid and Performance Security and the execution of a formal contract were waived for this purchase in accordance with the authority delegated to the Manager of Materials by the Board of Commissioners on April 9, 1992 and February 9, 1995.

It is estimated that a minimum of $250,000.00 based on a below average snowfall or approximately $750,000.00 based on a average snowfall will be spent on contract work from the 2002 Snow Clearing and Ice Control Budget for the remainder of 2002. The Departmental Controller has confirmed that

there are currently sufficient funds in the 2002 Snow Clearing and Ice Control Budget to cover these estimates. The remaining expenditures for the contracts will be budgeted in the 2003 and 2004 Current Estimates for Regional and Local 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, with the exception of the tender submission of J. C. Paving Ltd. for Tender No. 478-2002 which contained a calculation error in the summation of the Total Bid Price. This irregularity is considered minor and therefore, the Bid should be considered responsive.

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. The minimum amount that will be paid to the Contractors would be based on the 40% guaranteed minimum payment in the Contracts. All payments will be dependent on the quantity of snowfall received in the 2002/2003 and the 2003/2004 winter seasons.

Council must approve the award as funding for the Contracts spans three fiscal years.

The Financial Impact Statement is outlined on Attachment "B".

The Standing Policy Committee on Public Works recommends:

I. That Contracts be awarded to the Contractors listed below which submitted the lowest evaluated responsive Bids meeting all of the requirements of the published Tender Packages for the clearing and hauling of snow on portions of the Regional and Local Street Systems in the respective Areas of the City of Winnipeg (GST is extra to the prices shown).

Tender No.	Area	Contractor	Total Bid Price
476-2002 *	East Area (South)	Beaver Sewer & Water Services Ltd.	$419,911.20
477-2002 *	East Area (North)	S. M. Industries Ltd.	$521,959.00
478-2002 *	North Area (North)	J. C. Paving Ltd.	**$496,727.00
*** Two year contract** **** Corrected Total Bid Price**			(GST extra)

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

Attachment "A" referred to in Clause 2 of the Report of the Standing Policy Committee on Public Works dated September 10, 2002

SUMMARY OF SNOW CLEARING TENDER TOTAL BID PRICES (2002)

APPENDIX A

AREA	CONTRACT NO.	Beaver Sewer & Water Services Ltd.	J. C. Paving Ltd.	S. M. Industries Ltd.	Unicity Paving & Contracting Ltd.	Mulder Construction & Materials
EAST (SOUTH)	476-2002	***$419,911.20***	$462293.20	$498,083.60	$748,669.50	$679,908.25
EAST (NORTH)	477-2002		$576,520.00	***$521,959.00***	$677,072.30	$660,278.22
NORTH (NORTH)	478-2002		***$496,727.00****		$683,412.40	$594,768.35

NOTE: Low Bid Price Indicated in **Bold** and ***Italics.***
* Error in calculation. Corrected value shown.

Attachment "B" referred to in Clause 2 of the Report of the Standing Policy Committee on Public Works dated September 10, 2002

Financial Impact Statement

Date: August 29, 2002

Project Name:

First Year of Program 2002

Award of contracts for snow clearing on regional and local streets during the 2002/2003 and 2003/2004 winter seasons.

	2002	2003	2004	2005	2006
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	$ 1,481,755	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ 1,481,755	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	1,481,755	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

Existing budgeted funding for the 2002/2003 and 2003/2004 seasons has been provided under 01-552404-187690.

Original signed by D. Stewart, C.A.
Manager of Finance & Administration

Approved by Divisional Accountant: [x]