Minutes - Executive Policy Committee – September 21, 2006

Minute No. 656
Report - Standing Policy Committee on Infrastructure Renewal and Public Works - September 12, 2006

Item No. 5 Award of Contracts for Snow Clearing on Regional and Local Streets during the 2006/2007/2008/2009 Winter Seasons
File GL-9

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Infrastructure Renewal and Public Works and submits the following to Council:

1. That Contracts be awarded to the following 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 (Annual Base Bid Price)
475-2006	East Area (South)	Beaver Sewer & Water Services Ltd.	$424,268.20 *
476-2006	East Area (North)	SM Industries Ltd.	$441,608.50
477-2006	North Area (North)	J. C. Paving Ltd.	$408,967.70

All the Total Bid Prices shown on the table above are plus GST.

* Corrected bid price.

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

3. That the Chief Administrative Officer be delegated the authority to award future multi-year contracts for work that is substantially the same, each contract not to exceed five (5) years in duration and the Chief Administrative Officer's monetary award limit.

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

Minutes - Executive Policy Committee – September 21, 2006

Report - Standing Policy Committee on Infrastructure Renewal and Public Works – September 12, 2006

DECISION MAKING HISTORY:

Moved by Councillor Clement,

That the recommendation of the Standing Policy Committee on Infrastructure Renewal and Public Works be concurred in and forwarded to Council.

Carried

STANDING COMMITTEE RECOMMENDATION:

On September 12, 2006, the Standing Policy Committee on Infrastructure Renewal and Public Works concurred in the administrative recommendations and submitted the matter to the Executive Policy Committee and Council.

RE: AWARD OF CONTRACTS FOR SNOW CLEARING ON REGIONAL AND LOCAL STREETS DURING THE 2006/2007/2008/2009 WINTER SEASONS

FOR SUBMISSION TO: STANDING POLICY COMMITTEE ON INFRASTRUCTURE RENEWAL AND PUBLIC WORKS

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

REPORT DATE: September 5, 2006

RECOMMENDATIONS:

1. That Contracts be awarded to the following 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 (Annual Base Bid Price)
475-2006	East Area (South)	Beaver Sewer & Water Services Ltd.	$424,268.20 *
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All the Total Bid Prices shown on the table above are plus GST.

* Corrected bid price.

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

3. That the Chief Administrative Officer be delegated the authority to award future multi-year contracts for work that is substantially the same, each contract not to exceed five (5) years in duration and the Chief Administrative Officer's monetary award limit.

Report Summary

Key Issues:

- These are 3-year snow contracts that span four fiscal years of funding. This Award of Contracts will facilitate the snow clearing on Regional and Local streets during the 2006/2007/2008/2009 winter seasons.

Implications of the Recommendation(s):

General Implications

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

Comment(s):

Policy Implications

X No
Yes

Comment(s):

Regulatory Implications

X None
Eliminates or reduces regulatory impact
Proposes regulatory impact

Comment(s):

Environmental Implications

X No
Yes

Comment(s):

Human Resources Implications

X No
Yes

Comment(s):

Financial Implications

Within approved current and/or capital budget

X Current and/or capital budget adjustment required

Comment(s):

Additional funding will be required in the 2006 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, 2006, the Department was forecasting the snow and ice control expenditures for 2006 to be $17.1M against a budget of $15.3M for a shortfall of $1.8M. A report requesting additional funding for the 2006 Snow and Ice Control Program will be written to Council at the end of the fiscal year, once final costs and the actual amount of shortfall have been identified. The requirements for future years will be budgeted in the 2007, 2008 and 2009 Current Estimates for Snow Clearing and Ice Control.

Report

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 Total Bid Prices are annual base bid prices and are subject to an annual inflationary adjustment based on the All-Items Consumer Price Index for Winnipeg. 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:

2006/2007 over 2005/2006	22.5% Increase
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 three bid opportunities are December 2, 2006 for Bid Opportunity No. 475-2006; December 7, 2006 for Bid Opportunity No. 476-2006 and December 13, 2006 for Bid Opportunity No. 477-2006. It should be noted that the contract services

are expected to commence on October 15, 2006, 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, 2006 date.

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

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

	COR Registration Number
Beaver Sewer & Water Services Ltd.	MH051215M
SM Industries Ltd.	MH050708MS
J. C. Paving Ltd.	MH050228J

The Streets Maintenance staff of the Public Works Department has reviewed the Bid Opportunity submissions in detail.

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 except in Bid Opportunity No. 475-2006, the bid of Beaver Sewer & Water Services Ltd. contained an error in the Total Bid Price, which was corrected in accordance with B13.4.1. In Bid Opportunity No. 476-2006, SM Industries Ltd. did not initial price changes on Form B. This informality is not material to their bid.

The City will have to approve additional funding to carry out snow and ice control activities for the balance of this year. As of June 30, 2006, the Department was forecasting the snow and ice control expenditures for 2006 to be $17.1M against a budget of $15.3M for a shortfall of $1.8M. A report requesting additional funding for the 2006 Snow and Ice Control Program will be written to Council at the end of the fiscal year, once final costs and the actual amount of shortfall have been identified. The requirements for future years will be budgeted in the 2007, 2008 and 2009 Current Estimates for Snow Clearing and Ice Control.

It is, therefore, recommended that:

1. 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.

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

3. the CAO be delegated the authority to award future multi-year contracts for work that is substantially the same, each contract not to exceed five (5) years in duration and the Chief Administrative Officer's monetary award limit.

Financial Impact Statement **Date:** August 23, 2006

Project Name: **First Year of Program** **2006**

Award of Contracts for Snow Clearing on Regional and Local Streets During the 2006/2007/2008/2009 Winter Seasons

	2006	2007	2008	2009	2010
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	$ 509,938	$ 1,274,844	$ 1,274,844	$ 764,906	$ -
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ 509,938	$ 1,274,844	$ 1,274,844	$ 764,906	$ -
Less: Existing Budget Amounts		1,274,844	1,274,844	764,906	-
Net Budget Adjustment Required	$ 509,938	$ -	$ -	$ -	$ -

Additional Comments: Additional funding will be required in the 2006 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, 2006 the Department was forecasting total snow and ice control costs of $17.1M against a budget of $15.3M, for a shortfall of $1.8M. A report requesting additional funding for the 2006 Snow and Ice Control Program will be written to Council at the end of the fiscal year, once final costs and the actual amount of shortfall have been identified. The requirements for future years will be budgeted in the 2007, 2008 and 2009 Current Estimates for Snow Clearing and Ice Control.

Original signed by Darcy Stewart, CA'
Manager of Finance & Administration
Darcy Stewart, CA

Approved by Divisional Financial Analyst: X

IN PREPARING THIS REPORT THERE WAS:

Internal Consultation With and Concurrence By:

Materials Management Branch, Corporate Finance Department
Legal Services Division, Corporate Services Department

External Consultation With: N/A

THIS REPORT SUBMITTED BY:

Department: Public Works Department
Division: Streets Maintenance Division
Prepared by: K. R. Boyd, P. Eng.

SUMMARY OF SNOW CLEARING TOTAL BID PRICES (2006)
(Total Bid Prices are Annual Base Bid Prices)

APPENDIX A

AREA	CONTRACT NO.	Beaver Sewer & Water Ltd.	S.M. Industries Ltd	J. C. Paving Ltd.	L. Chabot Enterprises Ltd	C. J. Rentals & Contracting
EAST (S)	475-2006	***$424,268.20 ****	$489,810.50 *	$494,946.35	$492,414.50	$435,895.55
EAST (N)	476-2006	$492,455.00	***$441,608.50***	$484,738.45	$468,595.00 *	
NORTH (N)	477-2006	$478,560.30	$483,655.00	***$408,967.70***	$468,405.00	

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