Agenda - Executive Policy Committee - September 17, 2003

Report - Standing Policy Committee on Public Works - September 9, 2003

Item No. 1 Award of Contracts for Snow Clearing on Regional and Local Streets during the 2003/2004/2005 Winter Seasons
File GL-9

STANDING COMMITTEE RECOMMENDATION:

On September 9, 2003, the Standing Policy Committee on Public Works concurred in the administrative recommendation and submits the following to Council:

1. That Contracts be awarded to the Contractors which submitted the lowest evaluated responsive bids meeting all of the requirements of the published Tender Packages for Snow Clearing on Regional and Local Streets in the respective areas of the City of Winnipeg (for a Two-year contract and GST is extra to the prices shown).

Tender No.	Area	Contractor	Total Bid Price
336-2003	North Area (West)	Mulder Construction & Materials Ltd.	$535,541.02
337-2003	North Area (East)	C. J. Rental & Contracting Ltd.	$521,662.00
338-2003	South Area (East)	L. Chabot Enterprises Ltd.	$445,769.60
339-2003	South Area (West)	Kodiak Construction Ltd.	$577,179.66

2. That the Manager of Materials, Corporate Finance Department 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 17, 2003

Report - Standing Policy Committee on Public Works - September 9, 2003

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On September 9, 2003, the Standing Policy Committee on Public Works concurred in the administrative recommendation and submitted the matter to Executive Policy Committee and Council.

Re: AWARD OF CONTRACTS FOR SNOW CLEARING ON REGIONAL AND LOCAL STREETS DURING THE 2003/2004/2005 WINTER SEASONS

For Submission To: STANDING POLICY COMMITTEE ON PUBLIC WORKS

Original Report Signed By: J. A. Thomson, P. Eng., Director of Public Works

Report Date: July 21, 2003

Recommendations:

1. That Contracts be awarded to the Contractors which submitted the lowest evaluated responsive bids meeting all of the requirements of the published Tender Packages for Snow Clearing on Regional and Local Streets in the respective areas of the City of Winnipeg (GST is extra to the prices shown).

Tender No.	Area	Contractor	Total Bid Price
336-2003 *	North Area (West)	Mulder Construction & Materials Ltd.	$535,541.02
337-2003 *	North Area (East)	C. J. Rental & Contracting Ltd.	$521,662.00
338-2003 *	South Area (East)	L. Chabot Enterprises Ltd.	$445,769.60
339-2003 *	South Area (West)	Kodiak Construction Ltd.	$577,179.66
* Two year contract			(GST extra)

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 2003/2004/2005 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 phase in process
Comments:

Policy Implications:

[X] No
[ ] Yes
Comments:

Environmental Implications:

[X] No
[ ] Yes
Comments:

Human Resource Implications:

[X] No
[ ] Yes
Comments:

Financial Implications:

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

There is no budget adjustment required with this Award of Contracts provided that historical funding levels are provided in the Current Budget for Snow and Ice Control in 2004 and 2005.

REPORT

REASON FOR THE REPORT:

Since the funding for the Contracts spans three fiscal years, the award must be approved by Council.

HISTORY:

Funding in the amount of $13,540,767 was approved for Snow and Ice Control in the 2003 Current Estimates adopted by Council. To date, approximately $9,074,000 has been expended.

DISCUSSION:

Bids for the clearing and hauling of snow were received from a total of six (6) contractors and a summary of the tender submissions for each contract can be found in Appendix A of this report. 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:

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
1995/96 over 1994/95	2.2% Increase
1994/95 over 1993/94	2.2% Increase

The lapse dates of the four tenders are November 5, 2003 for Tender No. 336-2003; November 7, 2003 for Tender No. 337-2003; November 12, 2003 for Tender No. 338-2003; and Novmeber 14, 2003 for Tender No. 339-2003. It should be noted that the contract services are expected to commence on October 15, 2003, 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, 2003 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.

The Departmental Controller has confirmed that there are currently sufficient funds in the 2003 Snow Clearing and Ice Control Budget to cover these estimates. The remaining expenditures for the contracts will be budgeted in the 2004 and 2005 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 L. Chabot Enterprises Ltd. for Tender No. 338-2003 in which the Bidder did not initial price changes. 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. All payments will be dependent on the quantity of snowfall received in the 2003/2004 and the 2004/2005 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.

Project Name: **First Year of Program 2003**

Award of contracts for snow clearing on regional and local streets during the 2003/2004 and 2004/2005 winter seasons.

	2003	2004	2005	2006	2007
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 - To Be Determined					
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 428,511	$ 1,071,278	$ 642,767		
Less: Incremental Revenue/Recovery					
Net Cost/(Benefit)	$ 428,511	$ 1,071,278	$ 642,767	$ -	$ -
Less: Existing Budget Amounts	428,511	1,071,278	642,767		
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

No budget adjustment is required with this award of contract provided that historical funding levels are provided in the current budget for Snow and Ice control in 2004 & 2005.

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

Approved by Department Assistant Controller: ?

In preparing this report, there was consultation with and concurrence by:

N/A

This Report Submitted by:

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

SUMMARY OF SNOW CLEARING TENDER TOTAL BID PRICES (2003)

APPENDIX A

AREA	CONTRACT NO.	Mulder Construciton & Materials	C. J. Rentals & Contracting	L.Chabot Enterprises Ltd.	Kodiak Construction Inc.	Hugh Munro Construction	S.M. Industries Ltd.
NORTH (W)	336-2003	***$535,541.02***	$756,710.20	$591,498.60	$717,560.24	$893,000.55	$643,839.65 *
NORTH (E)	337-2003		***$521,662.00***	$523,402.40	$621,352.00	$640,644.78	
SOUTH (E)	338-2003		$623,859.40	***$445,769.60***	**$496,386.42**	$551,341.52	
SOUTH (W)	339-2003		$699,119.60	$579,498.80	***$577,179.66***	$613,269.40 *	

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