



Staff Report

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Report To: General Government Committee

Date of Meeting: January 4, 2021

Report Number: PWD-002-21

Submitted By: Steve Brake, Director of Public Works

Reviewed By: Andrew C. Allison, CAO

Resolution#:

File Number:

By-law Number:

Report Subject: Contracted Winter Control Services

Recommendations:

1. That Report PWD-002-21 be received;
2. That Council provide direction to staff by selecting one of the following options:
 - a. That Todd Brothers Contracting Limited with a potential contract value of \$3,353,897.66 (based on per hour pricing) being the low compliant bidder meeting all terms, conditions and specifications of CL2020-30 be awarded the contract for the Provision of Winter Control Services for an initial seven-year term with up to two additional one year terms as required by the Municipality;

or

 - b. That Council approve the cancellation of Tender CL2020-30 for Winter Control Services and the issuance of a tender for the replacement of four end of service life combination plow trucks that were previously requested in the 2019 and 2020 Capital Budget submissions but have been deferred pending the outcome of the contacted service investigation.

Report Overview

Report PWD-004-20 addresses Council resolution GG-137-20, as amended. This resolution that was carried at the regular meeting of June 15, 2020, directed staff to tender for Winter Control Services based on an hourly and also a per kilometer basis. This report provides the results of Tender CL2020-30 for the contracting out of Winter Control Services.

1. Background

- 1.1 At the regular General Government Committee meeting held on January 6, 2020, Council was presented with Report [OPD-001-20](#). The recommendations contained within this report included a request for Council to provide direction for staff to issue a tender to contract out several snow plow routes.
- 1.2 At the regular meeting of January 20, 2020, Council approved Resolution C-022-20 that directed staff to issue a tender to contract out snow plow routes to commence on November 1, 2020.
- 1.3 Tender specifications for this work were prepared by the former Operations Department and provided to the Purchasing Services Division. The scope of contracted service included the plowing of four winter control routes or approximately 100 kilometers of Class 2-5 roadway. The tender also requested pricing on a number of other supplementary winter control items for possible future use but they were not included in the final bid summary.
- 1.4 At the regular meeting of June 15, 2020, the results of Tender CL2020-13 were presented to Council in Report [OPD-002-20](#). The tender document stipulated that bidders should submit pricing as a per kilometer rate to enhance contract administration and to provide better clarity on invoicing.
- 1.5 At the regular meeting of June 15, 2020, Council approved Resolution GG-137-20, as amended, which referred the tender for Winter Control Services back to staff to retender and stipulate that bidders should submit pricing as an hourly rate in addition to a per kilometer rate.
- 1.6 On October 22, 2020, Request for Tender CL2020-30 was issued by the Purchasing Services Division and advertised electronically on the Municipality's website. Notification of the availability of the document was also placed on the Ontario Public Buyer's Association Website.
- 1.7 Fifteen companies downloaded the tender document.

2. Analysis

- 2.1 The tender closed on November 10, 2020.
- 2.2 Five submissions were received in response to the tender call. The bids were reviewed and tabulated by the Purchasing Services Division (See Attachment 1). Three submissions were deemed compliant and two were deemed non-compliant. One of the non-compliant bids was due to the limited experience of the bidder for the completion of similar work in the past while the other did not complete the Agreement to Bond form properly.
- 2.3 The ten companies that downloaded the tender document but did not submit a bid were contacted by the Purchasing Services Division to determine why they chose not to bid. The responses were as follows:
- One company does not believe in per event/per km pricing
 - One company is a Construction Association
 - One company does not have the resources available
 - One company stated that their proximity to the Municipality was too far to manage effectively
 - One company does not provide a specific type of service i.e. sidewalk work only
 - One company is a subcontractor only
 - Four companies did not respond to the request for information
- 2.4 The results were forwarded by the Purchasing Services Division to the Public Works Department for review and consideration. The low, compliant bid is from Todd Brothers Contracting Limited for an estimated \$376,486.56 (Net HST Rebate) based on per kilometer pricing or \$372,655.30 (Net HST Rebate) based on per hour pricing for one year. The initial term is a seven-year contract with up to two additional one-year terms.
- 2.5 The tender bid amount provides for the supply of four Combination Units (Sand/Salt/Plow Trucks) and licensed operators to carry out the salting and plowing work required. Costs requested were based on an estimated annual number of 22 full winter call-outs per year over a potential nine year contract term that would expire on March 31, 2030.
- 2.6 The annual cost per truck for the contracted service has been calculated to be \$92,493.75 per km pricing and \$91,552.50 per hour pricing. It should be noted that this

amount is considerably higher than the estimated in-house annual snow plowing cost of \$66,894.75 per truck that was previously outlined on Table 1 of Operations Department Report [OPD-001-20](#).

- 2.7 The cost differential based on per km pricing represents an increase of \$25,598.97 per truck or \$102,395.88 per year. The cost differential based on per hour pricing represents an increase of \$24,657.75 per truck or \$98,630.88 per year for the initial four routes to be contracted out.

3. Concurrence

This report has been reviewed by the Director of Financial Services who concurs with the recommendations.

4. Conclusion

- 4.1 The primary benefit of considering the contracting out of snow plow routes was to achieve savings through the reduction of in-house costs related to the initial purchase of vehicles, the servicing of equipment and the amount of staff overtime incurred. Prior to tendering, it was envisioned that the service delivery model could potentially create good public value through the optimization of the Public Works Department fleet.
- 4.2 The creation of other winter control efficiencies within the Public Works Department are currently underway. These efforts include a major review change to the hierarchal design of snow plow routes, the introduction of shifts for staff and the development of a new protocol to initiate winter control responses. These changes are expected to greatly reduce overtime costs when implemented for the 2021/2022 winter control season. In addition, staff are also currently investigating a partnership with one of our local academic institutions to utilize GIS software in an effort to complete a peer review of our snow plow route optimization.

Staff Contact: Stephen Brake, Director of Public Works, 905-263-2291 extension 2903 or sbrake@clarington.net

Attachments:

Attachment 1 - Summary of Bid Results

Interested Parties:

That all interested parties and any delegations be advised of Council's decision.

Attachment 1

Bid Summary

CL2020-30 Winter Control Services

BIDDER	Option #1 Per Kilometer Pricing (Net HST Rebate)	Option #2 Per Hour Pricing (Net HST Rebate)
Todd Brothers	\$376,486.56	\$372,655.30
CSL Group Ltd.	\$450,650.27	\$450,650.27
Miller Paving	\$631,616.66	\$631,618.45