



Staff Report

If this information is required in an alternate accessible format, please contact the Accessibility Coordinator at 905-623-3379 ext. 2131.

Report To: General Government Committee

Date of Meeting: October 15, 2019

Report Number: COD-022-19

Submitted By: Marie Marano, Director of Corporate Services

Trevor Pinn, Director of Finance/Treasurer

Reviewed By: Andrew C. Allison, CAO

Resolution#:

File Number: SS CL2019-1

By-law Number:

Report Subject: Supply and Delivery of Winter Sand

Recommendations:

1. That Report COD-022-19 be received;
2. That Young Aggregates with a bid amount of \$299,378.00 (Net HST Rebate) being the lowest compliant bidder meeting all terms, conditions and specifications of Tender SS CL2019-1 be awarded the contract for the Supply and Delivery of Winter Sand as required by the Operations Department;
3. That the funds required for this project in the amount of \$299,378.00 (Net HST Rebate) be funded by the Municipality from the approved budget allocation as follows:

Description	Account Number	Amount
Winter Maintenance Material	100-36-383-10300-7112	\$299,378

4. That all interested parties listed in Report COD-022-19 and any delegations be advised of Council's decision.

Report Overview

To request authorization from Council to award the contract for the supply and delivery of winter sand.

1. Background

- 1.1. Tender specifications for the supply and delivery of winter sand was prepared by the Durham Purchasing Co-operative under Tender C2019-078. The host agency was the City of Oshawa and winter sand requirements were included for Oshawa, Pickering, Ajax, Whitby, Scugog and Clarington. The contract was for one year with two additional optional one year terms.
- 1.2. The tender closed on September 5, 2019.
- 1.3. There were four plan takers and one bid was received in response to the tender call from Vicdom Sand and Gravel which was reviewed, tabulated and deemed compliant by the host agency, the City of Oshawa.
- 1.4. Plan takers were requested to provide a response regarding why they did not submit a bid. One of the three plan takers that did not submit a bid responded that their location was too far away from the Region and the other two did not provide a response.
- 1.5. After review and analysis by the Durham Purchasing Co-operative, the Operations Department and the Purchasing Services Division, the cost comparison revealed that the bid price has increased by approximately 44% since the last contract in 2018. Vicdom Sand and Gravel reported the reasons for the increase was due to an increase in hydro and property taxes, a shortage of transportation (trucks and drivers) and the fact that there is only one source location to haul sand from and transport throughout the Durham Region.
- 1.6. In keeping with the terms and conditions of the tender document, the City of Oshawa attempted to negotiate better pricing with Vicdom Sand and Gravel. Vicdom Sand and Gravel maintained their quoted price but agreed that if another sand pit is opened within the Durham Region they would be willing to renegotiate the costs as the delivery charge would be less.
- 1.7. After further review by the Operations Department and the Purchasing Services Division and taking into consideration that the bid price significantly exceeds the 2019 allotted budget, the recommendation was to opt out of the Durham Purchasing Co-operative's tender and for Clarington to obtain quotes for their own requirements. The Township of Scugog also made the same recommendation.

- 1.8. As a result of Clarington's decision to opt out of the Co-operative's tender, revised specifications for the supply and delivery of Clarington's winter sand were prepared by the Operations Department and the Purchasing Services Division.
- 1.9. With winter fast approaching and the need to have a contract in place for winter sand requirements by November 1, 2019, an immediate acquisition is required to prevent serious delays, for the maintenance of a service to the residents of Clarington and to mitigate any potential health and safety issues.
- 1.10. Given the urgent nature of the requirement and in an effort to ensure that the Municipality has a contract in place by November 1, 2019, a decision was made to obtain three quotes rather than an open competitive process for this year only. As a result, a limited Tender SS CL2019-1 for the supply and delivery of winter sand requirements for one winter season was issued on September 25, 2019 to obtain three quotes from vendors that deliver winter sand within the Municipality of Clarington.

2. Analysis

- 2.1. One bid was received in response to the request for quotes. Of the two vendors who did not respond to the invitation to submit a bid, one vendor advised that they were unable to submit a bid because they could not meet specification. The second vendor responded that they did not feel they would be able to provide the product at a competitive cost.
- 2.2. The bid was reviewed and tabulated by the Purchasing Services Division (see Attachment 1) and after analysing the bid, Young Aggregates was deemed the low, compliant bid.
- 2.3. The 2019 Winter Maintenance Material account is overspent, however due to the fact that winter sand is considered an emergency supply and the quantities needed during the winter months are hard to predict, having consulted with the Finance Department it is not unusual for the account to go over budget. It should be noted that the amount of savings obtained from Young Aggregates' bid in comparison to the bid received from the Durham Purchasing Co-operatives tender is \$44,306.30 (Net HST Rebate). The cost savings is for the most part due to the vendor only having to deliver winter sand within the Municipality rather than the haulage costs associated with delivering throughout the Durham Region. The increase over the 2019 budget can be attributed to supply and demand issues as other agencies are also confirming their winter sand requirements at this time.
- 2.4. After review and analysis by the Operations Department and the Purchasing Services Division, it was mutually agreed that the low bidder, Young Aggregates be recommended for the award of contract SS CL2019-1.

- 2.5. Young Aggregates has successfully completed work for the Municipality in the past and is located in Pontypool.
- 2.6. In spring 2020, the Purchasing Services Division will issue a competitive tender to the open market for winter sand requirements for a one year term with up to four additional optional years. It is hoped that by issuing a tender and awarding a contract in the spring and offering the contract as a potential term order that a lower price will be obtained.

3. Financial

- 3.1. Although the Winter Maintenance Material account is overspent, the Finance Department has confirmed that the funds required for this contract in the amount of \$299,378.00 (Net HST Rebate) will be expensed by the Municipality as follows:

Description	Account Number	Amount
Winter Maintenance Material	100-36-383-10300-7112	\$299,378

- 3.2. Queries with respect to the department needs should be referred to the Director of Operations.

4. Concurrence

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

5. Conclusion

It is respectfully recommended that Young Aggregates being the lowest compliant bid be awarded the one year contract for the Supply and Delivery of Winter Sand as per the terms, conditions and specifications of Tender SS CL2019-1.

Staff Contact: David Ferguson, Purchasing Manager, 905-623-3379 x2209 or dferguson@clarington.net.

Attachment 1: Bid Summary

Interested Parties: List of Interested Parties available from Department.

Attachment 1

Bid Summary

SS CL2019-1 Supply and Delivery of Winter Sand

BIDDER	Total Bid (including HST)	TOTAL BID (Net HST Rebate)
Young Aggregates	\$332,446.00	\$299,378.00