

Municipality of Lakeshore - Report to Council

Engineering & Infrastructure Services

Public Works



To: Mayor & Members of Council

From: Jeff Wilson, Manager of Operations

Date: March 26, 2021

Subject: Tender Award - 2021 Supply and Place Gravel Program

Recommendation

Direct Administration to proceed with Option ____ of the report presented at the April 6, 2021 Council meeting; and,

Award the 2021 Supply and Place Gravel Program tender to Shepley Excavating & Road Maintenance Ltd.

Background

The Supply and Place Gravel Program includes 2 components.

Component 1) provides a listing of roads that are identified to receive loose top maintenance within that budgeted year. Roads typically receive loose top maintenance on a three to five year cycle. This list is based on a condition assessment of the existing gravel roads and determined through field assessment.

The 2021 maintenance identified a total of 11.8 kilometers of roadway sections that require loose top maintenance. These roadways, with the respective road lengths, are listed below:

ROAD NAME	ROAD LENGTH (meters)
Lakeshore Road 115	2660
Lakeshore Road 231	1362
Lakeshore Road 243	3128
Lakeshore Road 309	1784
Byrnedale Road	1362
Byrnedale Road	1413
Byrnedale Road	1363

Component 2) includes the stockpile of additional gravel above the noted maintenance program identified in Component 1). This gravel is stockpiled at both the Lakeshore West

and East Public Works Yards and is utilized for shouldering on hardtop roads, general maintenance (potholes on gravel roads, fine grading, etc.) as well as projects such as culvert replacements and storm sewer repairs throughout the year. The stockpile amounts required (based on previous annual amounts) are identified below:

YARD NAME	AMOUNT (TONNES)
Lakeshore West Public Works	2500
Lakeshore East Public Works	2500

Comments

The tender for Supply and Place Gravel was publicly advertised on the Bids & Tenders website on March 10, 2021. One (1) tender was received prior to tender closing. The tender closed on March 24, 2021 at 12:00 PM.

The following outlines the total amounts from the one tender received based on the two schedules (components) identified in the tender documents:

Tenderer	Price (excluding HST)	Price (including net HST)
Schedule 1 - Supply and Place Gravel (Component 1)		
Shepley Excavating & Road Maintenance Ltd.	\$280,582.50	\$285,520.75
Schedule 2 – Stockpile Gravel (Component 2)		
Shepley Excavating & Road Maintenance Ltd.	\$96,975.00	\$98,681.76
Total	\$377,557.50	\$384,202.51

Based on the tendered amounts, the total tender price to Supply & Place Gravel is \$377,557.50 (excluding HST).

The budgeted amount for Loose Top Road Maintenance in the 2021 Public Works budget is \$335,000.00. The total tender would create a budget shortfall of \$49,202.51 factoring in the non-refundable HST.

Based on the tender documents the following clause is applicable:

“Furthermore, the Town reserves the right to reduce or increase the specified quantities in this tender by up to 25%, without penalties to unit prices, subject to budget constraints and Council approval.”

Therefore, Council reserves the right to decrease the total tender price through a reduction of the total tendered quantities while holding the unit price bid.

In order to remain within the 2021 budget (through the reduction of tender quantities), Lakeshore Road 309 (1,784 meters) will be required to be removed from the scheduled maintenance gravel program and further a reduction to the stockpile gravel quantity at the West Public Works Yard (by 500 tonnes) is required, having an impact on shouldering and other maintenance works.

Although Administration strives to stay within the approved budgeted amounts, this reduction will continue to set back this maintenance program.

Financial Impacts

A summary of the 2021 budget amount, the tendered amounts and difference (over) are summarized below:

Based on the 2 identified options the financial impacts are identified below:

- 1) Option 1: Approve the total tender amount of \$384,202.51 (including net HST) whereby the financial impact is the excess amount noted above (\$49,202.51) which will be funded from the roads reserves;

OR

- 2) Option 2: Approve a decrease in tender quantities for a total tender amount of \$335,000 which falls within the approved 2021 budget amount (with no further financial impact).

Project items	2021 Budget	Contract Amount (excluding HST)	Contract Amount (incl. net HST)	Difference (over)/ under
Supply and Place Gravel		\$280,582.50	\$285,570.75	
Stockpile Gravel		\$96,975.00	\$98,681.76	
Total	\$335,000.00	\$377,557.50	\$384,202.51	(\$49,202.51)

Based on the foregoing, Administration recommends that Council award the tender to Jeff Shepley Excavating Ltd. either in the total tendered amount or in an amount within the 2021 approved budget.

Report Approval Details

Document Title:	Tender Award - 2021 Supply and Place Gravel Program .docx
Attachments:	
Final Approval Date:	Apr 1, 2021

This report and all of its attachments were approved and signed as outlined below:

Krystal Kalbol

Rosanna Pellerito

Kristen Newman

Truper McBride