

Municipality of Lakeshore – Report to Council

Operations

Roads, Parks & Facilities



To: Mayor & Members of Council

From: Jeff Wilson, Division Leader – Roads, Parks & Facilities

Date: March 25, 2022

Subject: Tender Award - 2022 Supply and Place Gravel Program

Recommendation

Direct Administration to award the 2022 Supply and Place Gravel Program to Shepley Excavating & Road Maintenance Ltd. in the amount of \$430,529.77, as per Option 1 with the excess amount of \$97,210.31, funded from the road reserves, as presented at the April 12, 2022 Council meeting.

Background

The Supply and Place Gravel Program identified a total of 11.6 kilometers of roadway to receive loose top maintenance, as put forward in the 2022 budget.

It should be noted that roads typically receive loose top maintenance on a three-to-five-year cycle, pending condition assessments.

The Supply and Place Gravel Program includes 2 components:

Component 1)

Existing gravel roadways receive full maintenance based on a three-to-five-year cycle, pending field assessments based on the condition.

The proposed roadways within Component 1) with the respective lengths, are listed below:

ROAD NAME	ROAD LENGTH (meters)
Golfview Drive	2716
Goodreau Line	1551
Lakeshore Road 309	3665
Lakeshore Road 311	3672

Component 2)

Stockpile additional gravel over and above the quantities required to complete Component 1).

This gravel is stockpiled at both the 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 required annual amounts) are identified below:

YARD	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 8, 2022. The tender closed on March 25, 2022.

One (1) tender was received prior to tender closing.

The following outlines the tender amounts received for the two schedules (components):

Tenderer	Price (excluding HST)	Price (including applicable HST)
Schedule 1 - Supply and Place Gravel (Component 1)		
Shepley Excavating & Road Maintenance Ltd.	\$301,333.50	\$306,636.97
Schedule 2 – Stockpile Gravel (Component 2)		
Shepley Excavating & Road Maintenance Ltd.	\$121,750.00	\$123,892.80
Total	\$423,083.50	\$430,529.77

The total tender price to Supply & Place Gravel is \$430,529.77 (including applicable HST).

The 2022 budget approved an amount for Loose Top Road Maintenance of \$335,000.00. Based on this, the total tender would create a budget shortfall of \$97,210.31 (including applicable 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 tendered quantities while holding the unit price bid.

In order to remain within the 2022 budget (through the reduction of tender quantities) and based on the condition of the above noted roadways that are identified in Component 1), Lakeshore Road 309 (3672 meters in length) would be required to be removed from the contract.

It should be noted that to maintain minimum maintenance standards, the stockpiled quantities (Component 2) are not recommended to be decreased/eliminated.

Although Administration strives to stay within the approved budgeted amounts, this reduction will have an impact on the current maintenance program (which is typically the completion of between 11 - 12 km's per year).

Based on the foregoing, Administration recommends that Council award the tender to Jeff Shepley Excavating Ltd. in the total tendered amount.

Financial Impacts

The financial impact has been summarized below:

Project items	2022 Budget	Contract Amount (excluding HST)	Contract Amount (including applicable HST)	Difference (over)/ under
Supply and Place Gravel		\$301,333.50	\$306,636.97	
Stockpile Gravel		\$121,750.00	\$123,892.80	
Total	\$335,000.00	\$423,083.50	\$430,529.77	(\$97,210.31)

Based on the above budget difference, 2 options have been included below:

- Option 1: Approve the total tender amount of \$430,529.77 (including applicable HST) whereby the financial impact is the excess amount noted above (\$97,210.31) 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 2022 budget amount (with no reserve impact) but removes Lakeshore Road 309 from the program in 2022.

Report Approval Details

Document Title:	Tender Award - 2022 Supply and Place Gravel Program .docx
Attachments:	
Final Approval Date:	Apr 6, 2022

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

Justin Rousseau

Kristen Newman

Truper McBride