

Municipality of Lakeshore – Report to Council

Operations

Public Works



To: Mayor & Members of Council
From: Jeff Wilson, Division Leader – Public Works
Date: April 4, 2023
Subject: Tender Award - 2023 Supply and Place Gravel Program

Recommendation

Award the 2023 Supply and Place Gravel Program to Shepley Excavating & Road Maintenance Ltd. in the amount of \$408,133.92, as per Option 1 with the excess amount of \$33,133.92, funded from the road reserve, as presented at the April 4, 2023 Council meeting.

Background

Annually, the Supply and Place Gravel Program is budgeted and includes 2 components:

Component 1

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

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 identified a total of 11.3 kilometers of roadway to receive loose top maintenance, as put forward in the 2023 budget.

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

ROAD NAME	ROAD LENGTH (meters)
Creekside Road	1974
Lakeshore Road 233	3141
Lakeshore Road 235	3137
Lakeshore Road 308	3084

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 required stockpile amounts (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 February 17, 2023. The tender closed on March 10, 2023.

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

The following summarized 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.	\$ 266,625.00	\$271,317.60
Schedule 2 – Stockpile Gravel (Component 2)		
Shepley Excavating & Road Maintenance Ltd.	\$134,450.00	\$136,816.32
Total	\$401,075.00	\$ 408,133.92

The total tender price to Supply & Place Gravel is \$408,133.92 (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.

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

Financial Impacts

The financial impact has been summarized below:

Project items	Contract Amount (excluding HST)	Contract Amount (including applicable HST)
Component 1) Supply and Place Gravel	\$ 266,625.00	\$271,317.60
Component 2) Stockpile Gravel	\$134,450.00	\$136,816.32
Total	\$401,075.00	\$ 408,133.92
2023 Budget		\$375,000.00
Difference (over)/under		(\$33,133.92)

The total contract amount creates a budget shortfall of \$33,133.92 (including applicable HST).

Option 1(Recommended):

Complete all aspects of the tender and fund the shortfall with funds from the Roads Reserve: This will reduce the roads reserves balance to an estimated \$9,659,927 by the end of 2023.

Option 2:

To remain within the 2023 budget (through the reduction of tender quantities) and based on the condition of the above noted roadways that are identified in Component 1), Creekside Road (1974 meters in length) would be required to be eliminated 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).

Attachments

2023 Supply and Place Gravel Map

Report Approval Details

Document Title:	Tender Award - 2023 Supply and Place Gravel Program.docx
Attachments:	- 2023 Supply and Place Gravel Map.pdf
Final Approval Date:	Mar 27, 2023

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

Prepared by Jeff Wilson

Submitted by Krystal Kalbol

Approved by Justin Rousseau and Truper McBride