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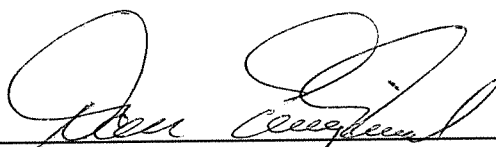


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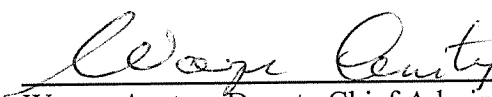
Halifax Regional Council
September 5, 2006

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:



Dan English, Chief Administrative Officer



Wayne Anstey, Deputy Chief Administrative Officer - Operations

DATE: August 26, 2006

SUBJECT: **Award of Tenders (1) #06-072 Winter Sidewalk Snow and Ice Control-
Eastern Region and (2) #06-074 Winter Sidewalk Snow and Ice
Control- Western Region**

ORIGIN

The Approved 2006/07 Operating Budget.

RECOMMENDATION

It is recommended that Council:

1. award Tender #06-072 Winter Sidewalk Snow and Ice Control-Eastern Region to perform winter sidewalk snow and ice control services for HRM sidewalks, for a four (4) year period for the following tendered prices including net HST from Operating Account No.R764-6399, Sidewalk Snow and Ice Control; with funding authorized as per the Budget Implications Section of this report.
 - a) Route SW-E1 to Ecotech Development for a tender price of \$121,011.93
 - b) Route SW-E3 to Ecotech Development for a tender price of \$ 574,082.25

2. award Tender #06-074 Winter Sidewalk Snow and Ice Control-Western Region to perform winter sidewalk snow and ice control services for HRM sidewalks, for a four (4) year period for routes listed below for the following tendered prices including net HST from Operating Account No. R764-6399, Sidewalk Snow and Ice Control; with funding authorized as per the Budget Implications Section of this report.
 - a) Route SW-W9 to Timberlea Bottle Exchange for a tender price of \$187,810.52
 - b) Route SW-W10 to Timberlea Bottle Exchange for a tender price of \$550,545.12
 - c) Route SW-P1 to Ocean Contractors Ltd. for a tender price of \$ 715,604.57
 - d) Route SW- P2 to Provincial Pavement Markings for a tender price of \$ 489,260.54
 - e) Route SW-P3 to Provincial Pavement Markings for a tender price of \$ 629,477.17
3. Allow a fifth year option for Tender 06-072 and Tender 06-074 subject to an annual performance review.

BACKGROUND

On February 21, 2006, Council directed staff to provide sidewalk snow clearing services on the main arterials and bus routes of the remaining sidewalks not already receiving snow clearing service. As part of that report Council approved:

- 1. That sidewalk snow clearing service be expanded to include all arterials and transit routes within the former City of Halifax;*
- 2. The cost of providing sidewalk snow clearing to all arterials and transit routes within the urban area be transferred to the Urban General Rate;*
- 3. An enhanced Seniors and Disabled individuals' sidewalk snow removal program funded through the Urban General rate;*
- 4. The cost of providing sidewalk snow clearing to all other sidewalks be charged as a single unified area rate within the current service area; and*
- 5. This increased sidewalk snow removal program be left in place for a period of not less than five years so staff can make the necessary operational and service level improvements for the program.*

DISCUSSION

Traditionally, the Sidewalk Snow Clearing Program has been carried out using HRM equipment, and hourly based contractors; or the responsibility lay with the abutting property owners in Peninsula Halifax and Spryfield.

In the Halifax region over 90% of the Sidewalk Snow Clearing Program was performed by hourly based contractors, while in the East Region, 15% of sidewalks were done by HRM staff and 85% done by hourly based contractors. In the Central Region 12% of sidewalks were done by HRM equipment and 87% by hourly based contractors.

The approach to the sidewalk snow removal program will be a combination of three (3) resource capabilities: performance based contracts; hourly equipment as required; and, in-house employees and equipment.

With the expiration of the previous hourly based sidewalk equipment tender, staff issued a new performance based sidewalk snow clearing tender. The performance based tender is unit priced based on kilometre/year.

The tenders are designed to ensure the contractors are responsible for work, which comprises the supply of all labour, materials, equipment, fuel, transportation, supplies, supervision, communication requirements, reporting requirements and customer service requirements necessary to perform winter sidewalk snow and ice control for designated sidewalks in HRM. The contractors are to perform to a prescribed performance standard.

The performance standards outlined in the contracts:

- ▶ will have main arterial sidewalks cleared 12 hours following the end of the snowfall;
- ▶ will have transit routes cleared 18 hours from the end of the snowfall;
- ▶ will have residential sidewalks cleared 36 hours from the end of the snowfall; and,
- ▶ will include daily inspections and log reports.

These standards are higher than the standards set by Council in 1998, which identified a 72 hour timeframe where sidewalks must be cleared following the end of a snowfall.

Failure to perform will be controlled with various non-performance penalties. Municipal Operations Supervisors will manage the contractors' performance to ensure the desired end result is achieved.

The main advantages of Performance Based Contracts is the accountability of the contractor and predictability for budgeted resources. Since the contracts are a fixed rate for the winter, there would not be the fluctuations associated with winters of heavy or light snowfalls. In addition, the contractors have ownership of their routes; which will eliminate discussions on the question of plow damages when different equipment is utilized.

When the tender closed the cost of doing the entire sidewalk program under a performance based contract would have exceeded budgeted costs by approximately \$1,000,000 per year. However, some of the defined route prices were favourable to HRM, based on a five (5) year historical cost per km using hourly based equipment. These routes were on the Halifax peninsula, Spryfield,

Timberlea, Burnside, and one route in North Dartmouth. The unit per km costs tendered were within the budgeted amounts determined by staff.

As a result of the higher than estimated bid results from this tender, a separate tender was called for hourly based equipment. Given that it has been four (4) years since the last major tender call for snow and ice equipment, the average increase in the hourly rates were approximately 15%. Staff believe that the combined program of performance based contracts, hourly based equipment, and in-house resources concentrated in the downtown business sectors, will offer a viable solution for sidewalk snow removal.

The tender for hourly based equipment was issued for a two (2) year period, including a 5% hold-back on invoicing until all repairs are completed in the spring. Hourly based contractors will be assigned routes that were in the performance based tenders. This will allow accurate comparisons at the end of the season on the value of performance based contracts versus hourly rated work. The cost of doing the sidewalks with in-house equipment can also be measured against the contractors.

In order to maximize our in-house resources HRM owned equipment and employees will be responsible for 42 kilometres in the downtown business district of Halifax, and 38 kilometres in the Dartmouth business district. With limited snow storage in these areas it was felt that utilizing in-house staff would give more flexibility and control on the snow removal operations. This is an increase of 28% over the total kilometres serviced in-house over previous years.

HRM equipment will also be responsible for clearing the remaining pieces of sidewalk in Halifax that abut HRM owned properties, as required under By-Law S-300 that are not serviced by any of the performance based contractors. This will involve approximately 10 kilometres scattered throughout the city.

The clearing of main arterials and transit routes in the areas of HRM not previously receiving sidewalk snow clearing services will reduce the number of sidewalk intersections to be cleared, from 1,175 to approximately 650. Utilizing in-house employees, these intersections will be serviced after the sidewalk clearing is complete, but within 72 hours following the end of the snowfall. While the service was begun last year, the mild winter did not allow for any meaningful assessment of the value or cost of performing this service. Although in-house crews will perform the work, additional contracted resources may be required as weather events dictate.

Tenders were called on May 23, 2006 and closed on June 19, 2006. The following bids, exclusive of taxes, were received:

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Tender #06-072	Company	For four (4) years Total Bid (excluding net HST)
Route SW-E1	Ecotech Development Ltd*	\$ 117,000.00*
	Provincial Pavement	\$ 200,000.00
Route SW-E3	Ecotech Development Ltd.*	\$ 555,049.60*
	Provincial Pavement	\$ 725,920.00

Tenders were called on May 23, 2006 and closed on June 21, 2006. The following bids, exclusive of taxes, were received:

Tender #06-074	Company	For four (4) years Total Bid (excluding net HST)
Route SW-W9	Timberlea Bottle Exchange*	\$ 181,584.00*
	Provincial Pavement	\$ 217,249.00
	Teak Tree Enterprise	\$ 294,880.00
Route SW-W10	Timberlea Bottle Exchange*	\$ 532,292.80*
	Provincial Pavement	\$ 576,368.00
Route SW-P1	Ocean Contractors Ltd*	\$ 691,880.00*
	Provincial Pavement	\$ 770,952.00
Route SW-P2	Provincial Pavement*	\$ 473,040.00*
	Ocean Contractors Ltd.	\$ 551,880.00
	Teak Tree Enterprise	\$ 930,312.00
Route SW-P3	Provincial Pavement*	\$ 608,608.00*

*** Recommended bidder**

The total four (4) year bid price is exclusive of an increase in the kilometre rate factor by the Nova Scotia Consumer Price Index (CPI) in the second, third, fourth and fifth year.

The scope of work for this tender generally consists of all equipment, labour and material necessary to perform winter sidewalk snow and ice control services for HRM sidewalks. These tenders will form a performance base contract.

The Tender is November 1 to April 15 inclusive each year of a four (4) year period .

(Note: Please refer to Appendix “A” for detailed routing information)

BUDGET IMPLICATIONS

Funding is available in the annual approved Operating Budget to fund the approx \$815,000 annual cost requirement from Account R764, Sidewalk Snow and Ice Control. The availability has been confirmed by Financial Services.

FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

This report complies with the Municipality’s Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation.

ALTERNATIVES

HRM could provide sidewalk and snow clearing services on main arterials and transit routes on the remaining sidewalks not already receiving this service using hourly based equipment. However, this is not recommended due to fluctuating costs, more difficult performance management, and the lack of participation on the part of in-house expertise.

ATTACHMENT

Appendix “A” Eastern Region/ Western Region Sidewalk Routes

Award of Tenders: #06-072 & #06-074
Winter Sidewalk Snow and Ice Control
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A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

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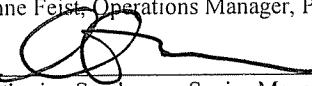
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Financial Review: Holly Power Garrett
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Procurement Review: Anne Feist
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Report Approved by: 
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Performance Based Sidewalk Routes

