


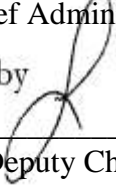
Item No. 11.1.3
Halifax Regional Council
September 10, 2013

TO: Mayor Savage and Members of Halifax Regional Council

Original signed by 

SUBMITTED BY:

Richard Butts, Chief Administrative Officer

Original Signed by 

Mike Labrecque, Deputy Chief Administrative Officer

DATE: July 10, 2013

SUBJECT: Award Tender No. 13-048 Winter Sidewalk Snow and Ice Control
East
Award Tender No. 13-049 Winter Sidewalk Snow and Ice Control
West

ORIGIN

The following report relates to the award of 19 Performance-Based Sidewalk Snow and Ice Contracts originally tendered in 2008 which expired in April 2013.

LEGISLATIVE AUTHORITY

Under the HRM Charter, Section 79 Halifax Regional Council may expend money for municipal purposes. Administrative Order #35, the Procurement Policy, requires Council to approve the award of contracts for sole sources exceeding \$50,000 or \$500,000 for tenders and RFP's. See Charter Sections 79(1) and 322(3).

RECOMMENDATION

It is recommended that Halifax Regional Council award Tender No. 13-048 Sidewalk Snow and Ice Control East, to the lowest bidders, meeting specifications noted, and at the estimated prices provided below, for the period of November 1 to April 15 inclusive each year of a four-year term for years 2013 through 2017, and a fifth year option (at HRM's sole discretion) for a one-year

RECOMMENDATION CONTINUED ON PAGE 2

extension. Each year of the agreement will be subject to annual review of performance, service and operational requirements. Funding will be from Operating Account R780-6399, Sidewalk Snow and Ice Control, as outlined in the Financial Implications section of this report. The recommended bidders are:

- a) Award Route Nos. SWE4, SWE12 and SWE15 to Excel Property Services, for a total estimated tender price of \$996,276.43 (net HST included).
- b) Award Route Nos. SWE7, SWE9, SWE13 and SWE 14 to Provincial Pavement Markings Inc. for a total estimated tender price of \$2,493,536.98 (net HST included).
- c) Award Route No. SWE8 to Cutting Edge Construction for a total estimated tender price of \$1,096,710.90 (net HST included).
- d) Award Route No. SWE10 to Crimson Contracting for a total estimated tender price of \$342,645.67 (net HST included).
- e) Award Route No. SWE11 to Green and White Construction for a total estimated tender price of \$404,629.68 (net HST included).

It is recommended that Halifax Regional Council award Tender No. 13-049 Sidewalk Snow and Ice Control West, to the lowest bidders, meeting specifications noted, and at the estimated prices provided below, for the period of November 1 to April 15 inclusive each year of a four-year term for years 2013 through 2017, and a fifth year option (at HRM's sole discretion) for a one-year extension. Each year of the agreement will be subject to annual review of performance, services and operational requirements. Funding will be from Operating Account R781-6399, Sidewalk Snow and Ice Control, as outlined in the Financial Implications of this report. The recommended awards are:

- a) Award Route Nos. SWW1 and SWW12 to T&T Excavating for a total estimated tender price of \$713,304.25 (net HST included).
- b) Award Route Nos. SWW2, SWW3, SWW4, SWW5, SWW6 and SWW7 to Provincial Pavement Markings Inc. for a total estimated tender price of \$1,568,712.61 (net HST included).
- c) Award Route No. SWW8 to First Class Grass for a total estimated price of \$402,029.17 (net HST included).

BACKGROUND

In 2006 Council approved the tender to initiate Performance Based Sidewalk Tenders for seven routes located on Peninsula Halifax, Spryfield, Timberlea and North Dartmouth. These tenders were designed for performance management and provided for predictable cost controls

regardless of the severity of the winter. In 2008, after realizing the financial success of the contracts, another 22 routes were tendered. To demonstrate the observed success, the following indicate the drop in contractor costs realized over the past seven years:

- a) 2006 Average cost per km \$6,761
- b) 2008 Average cost per km \$5,255
- c) 2011 Average cost per km \$5,044
- d) 2013 Average cost per km \$4,602

The new contract tender prices for the renewal of the 2008 contracts represent a savings of \$564,000 over previous sidewalk snow removal costs. This can most notably be attributed to industry adjusting to performance-based contracting and increased competition.

The remaining 17% of sidewalks are delivered by the HRM in-house program, mainly in the capital districts and also allows for the support of incremental snow removal in the capital districts with equipment and manpower. The program has proven very successful as witnessed by examples such as assisting Metro Transit to meet schedules and for ease of passenger loading/off loading at transit stops.

By way of cost comparison, the in-house sidewalk average cost per km for snow and ice control is approximately double that of the historical contracted cost.

DISCUSSION

Tenders Nos. 13-048 and 13-049 were called and posted to the Province of Nova Scotia's Procurement website on May 10, 2013 and closed on May 31, 2013. Mandatory meetings for both tenders were held on May 15, 2013. Tables illustrating qualified bids received are located following the signature page in this report.

Years 2, 3, 4 and 5 (if necessary) will be adjusted by Nova Scotia Consumer Price Index (CPI) for the previous 12 month period as determined each November while these contracts are in effect.

The total year-one and year-four pricing includes costs for estimated quantities at the unit rates for clearing of remote bus stops and additional specialized equipment and labour for extraordinary weather events.

Performance-Based sidewalk contracts began in 2006. Municipal Operations has gained considerable experience in the effective management and supervision of these types of contracts. As a result, effective contract language now clearly specifies quality expectations, results and timelines. Effective management of service standards, damages and required repairs have resulted in consistent levels of service and greater adherence to service standards. These changes have enabled Supervisors to focus their attention on quality customer service responses and clean up on post-season damage repairs. In cases where contractor performance has been an issue,

operations staff have acted quickly with the contractor to ensure consistent quality service was maintained. Where appropriate, penalties were applied to further fine tune expectations. The following table captures the main advantages and disadvantages to pursuing a Performance Based delivery:

Advantages	Disadvantages
Predictable Costs	Risk of milder winters
Stricter attention in servicing to the standard	Contractor understanding of expectations
Less supervision	Paying for limited liability exposure
Increased competition	Managing customer complaints through the contractor
Decreased liability exposure	
Less equipment to capitalize and maintain	
Encourage industry investment	
Performance evaluations	
Damage repairs expedited	

The work to be performed under the proposed contract is within the scope of activity that has historically been shared between contractors and HRM employees represented by CUPE Local 108. The Union has filed a grievance with respect to the proposed contracting, however, staff are satisfied that there has been compliance with any collective agreement requirements necessary for HRM to contract for the work.

FINANCIAL IMPLICATIONS

Funding is available in the annual approved Operating Budget to fund the \$1,333,450 (net HST included) annual cost requirement from Account R780-6399, East Sidewalk Snow and Ice Control, and the approximate \$671,000 (net HST included) annual cost requirement from R781 6399, West Sidewalk Snow and Ice Control. The availability has been confirmed by Finance.

ENVIRONMENTAL IMPLICATIONS

No implications identified

ALTERNATIVES

Tender for hourly based sidewalk equipment (approximately 60 units) with additional requirements for increased supervision

ATTACHMENTS

Tender No. 13-048 – Qualified Bids Received
Tender No. 13-049 – Qualified Bids Received

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.

Report Prepared by: Gord Hayward, Superintendent Winter Operations, 490-4956

Report Approved by: _____
Chris Mitchell, Manager Municipal Operations, 490-4673

Procurement Review: _____
Anne Feist, Manager, Procurement, 490-4200

Report Approved by: _____
Ken Reashor, P.Eng., Director Transportation and Public Works, 490-4855

**Award Tender No. 13-048 Winter Sidewalk Snow and Ice Control East
Award Tender No. 13-049 Winter Sidewalk Snow and Ice Control West
Council Report**

Tender No. 13-048 Qualified Bids Received							
Route # - #KM	Company	1 year-Including Net HST	4 years-Including Net HST	Route # - #KM	Company	1 year-Including Net HST	4 years-Including Net HST
SWE4-16.561KM	Excel Property Serv. *	\$72,082.58	\$288,330.31	SWE12-11.415 KM	Excel Property Serv.*	\$56,565.51	\$226,262.03
	Provincial Pavement	\$80,859.91	\$323,439.65		Teak Tree	\$57,521.19	\$230,084.74
	Green & White Const	\$81,247.73	\$324,990.94		Provincial Pavement	\$60,861.06	\$243,444.24
	Teak Tree	\$83,568.55	\$334,274.21		Cutting Edge Construction	\$68,153.88	\$272,615.51
	Cutting Edge Construction	\$93,575.26	\$374,301.05		Tracey's Landscaping	\$68,861.35	\$275,445.40
	Tracey's Landscaping	\$94,352.50	\$377,409.99		J & DW Trucking &	\$92,165.61	\$368,662.44
SWE7-27.434 KM	Provincial Pavement*	\$135,731.04	\$542,924.15	SWE13-41.580 KM	Provincial Pavement*	\$201,952.57	\$807,810.29
	First Class Grass	\$143,812.75	\$575,251.00		Excel Property Serv.	\$207,789.86	\$831,159.42
	Cutting Edge Const	\$148,730.37	\$594,921.47		Teak Tree	\$211,858.89	\$847,435.54
	Tracey's Landscaping	\$159,005.44	\$636,021.75		Cutting Edge Construction	\$219,418.22	\$877,672.89
	Ocean Contractors	\$181,526.36	\$726,105.46		Tracey's Landscaping	\$234,711.29	\$938,845.14
SWE8-67.731KM	Cutting Edge Construction*	\$274,177.72	\$1,096,710.90	SWE14-25.478 KM	Provincial Pavement*	\$125,942.76	\$503,771.03
	Provincial Pavement	\$277,611.32	\$1,110,445.28		First Class Grass	\$132,394.88	\$529,579.53
	Teak Tree	\$322,395.26	\$1,289,581.03		Teak Tree	\$136,158.28	\$544,633.13
	Tracey's Landscaping	\$334,061.69	\$1,336,246.76		Cutting Edge Construction	\$141,424.21	\$565,696.85
	Ocean Contractors	\$383,981.57	\$1,535,926.29		Tracey's Landscaping	\$151,194.36	\$604,777.46
SWE9-34.042KM	Provincial Pavement*	\$159,757.88	\$639,031.52	SWE15-25.314 KM	Excel Property Serv.	\$120,421.02	\$481,684.09
	Green & White Const	\$178,223.89	\$712,895.55		Provincial Pavement	\$125,245.73	\$500,982.91
	Cutting Edge Const	\$179,741.23	\$718,964.93		Teak Tree	\$139,495.83	\$557,983.33
	Excel Property Serv.	\$184,316.40	\$737,265.58		Cutting Edge Construction	\$149,020.96	\$596,083.83
	Tracey's Landscaping	\$192,206.53	\$768,826.11		Tracey's Landscaping	\$150,851.26	\$603,405.05
	Teak Tree	\$193,551.82	\$774,207.27				
SWE10-25.728KM	Crimson Contracting*	\$85,661.42	\$342,645.67				
	Green & White Const	\$103,965.70	\$415,862.78				
	Provincial Pavement	\$126,457.59	\$505,830.36				
	First Class Grass	\$132,363.08	\$529,452.30				
	Cutting Edge Construction	\$139,528.67	\$558,114.68				
	Teak Tree	\$141,192.46	\$564,769.83				
Tracey's Landscaping	\$149,146.76	\$596,587.04					
SWE11-23.050KM	Green & White Construction*	\$101,157.42	\$404,629.68				
	Provincial Pavement	\$119,505.97	\$478,023.87				
	Teak Tree	\$122,507.37	\$490,029.49				
	Cutting Edge Construction	\$125,049.19	\$500,196.74				
	Tracey's Landscaping	\$132,597.04	\$530,388.17				

* Recommended Bidder

Total costs including Net HST for the award recommendations for Tender No.13-048 are:

1 Year Total Cost: \$1,333,449.91- This represents approximately 292.332 KM of snow and ice control ; the clearing of 204 remote bus stops and any additional specialized equipment and labour for extraordinary weather events.

The 4-Year total value of the contract is \$5,333,799.66

Award Tender No. 13-048 Winter Sidewalk Snow and Ice Control East

Award Tender No. 13-049 Winter Sidewalk Snow and Ice Control West

Council Report

September 10, 2013

Tender No. 13-049 Qualified Bids Received							
Route #	Company	1 year-Including Net HST	4 years-Including Net HST	Route #	Company	1 year-Including Net HST	4 years-Including Net HST
SWW1-19.226KM	T & T Excavating *	\$77,816.84	\$311,267.38	SWW7-17.539 KM	Provincial Pavement*	\$89,797.99	\$359,191.97
	Provincial Pavement	\$92,741.17	\$370,964.70		Rock Point Property	\$90,343.24	\$361,372.96
	Teak Tree	\$96,997.59	\$387,990.38		Cutting Edge	\$91,211.88	\$364,847.52
	Tracey's Landscaping	\$101,216.15	\$404,864.59		Envirobate	\$94,087.58	\$376,350.32
	Cutting Edge	\$109,800.93	\$439,203.71		Teak Tree	\$95,001.30	\$380,005.19
	Terrain Formers	\$119,941.71	\$479,766.86		Tracey's Landscaping	\$95,050.58	\$380,202.34
					Cutting Edge	\$97,508.09	\$390,032.37
SWW2-15.508KM	Provincial Pavement*	\$75,693.37	\$302,773.46	SWW8-25.560 KM			
	T & T Excavating	\$77,578.38	\$310,313.51				
	Tracey's Landscaping	\$83,169.58	\$332,678.31		First Class Grass*	\$100,507.29	\$402,029.17
	Teak Tree	\$84,796.76	\$339,187.02		Provincial Pavement	\$119,757.93	\$479,031.70
	Cutting Edge	\$89,902.79	\$359,611.18		Teak Tree	\$124,017.88	\$496,071.52
	Terrain Formers	\$98,019.95	\$392,079.80		Tracey's Landscaping	\$127,731.49	\$510,925.97
SWW3-9.600KM	Provincial Pavement*	\$46,442.73	\$185,770.91	SWW12-21.208 KM	Cutting Edge	\$139,052.46	\$556,209.86
	T & T Excavating	\$49,450.34	\$197,801.34		Terrain Formers	\$153,868.90	\$615,475.62
	Teak Tree	\$53,857.46	\$215,429.85		T & T Excavating*	\$100,509.22	\$402,036.87
	Tracey's Landscaping	\$55,315.38	\$221,261.52		Provincial Pavement	\$102,702.83	\$410,811.31
	Cutting Edge	\$56,184.29	\$224,737.16		Teak Tree	\$109,277.67	\$437,110.69
			Terrain Formers	\$112,878.35	\$451,513.41		
SWW4-9.074KM	Provincial Pavement*	\$45,802.28	\$183,209.11		Cutting Edge	\$116,016.91	\$464,067.63
	Teak Tree	\$55,691.31	\$222,765.23				
	Tracey's Landscaping	\$55,742.97	\$222,971.87				
	Cutting Edge	\$56,809.27	\$227,237.09				
	Terrain Formers	\$66,723.18	\$266,892.71				
SWW5-10.762KM	Provincial Pavement*	\$57,358.63	\$229,434.51				
	Rock Point Property	\$58,225.41	\$232,901.63				
	T & T Excavating	\$60,471.42	\$241,885.69				
	Envirobate	\$60,489.72	\$241,958.87				
	Teak Tree	\$61,558.97	\$246,235.87				
	Tracey's Landscaping	\$61,913.19	\$247,652.76				
	Cutting Edge	\$66,458.90	\$265,835.62				
	Terrain Formers	\$72,598.34	\$290,393.38				
SWW6-15.149KM	Provincial Pavement*	\$77,083.17	\$308,332.66				
	Rock Point Property	\$82,772.69	\$331,090.75				
	First Class Grass	\$82,880.21	\$331,520.84				
	Envirobate	\$86,042.66	\$344,170.65				
	Tracey's Landscaping	\$87,595.83	\$350,383.32				
	Cutting Edge	\$90,020.67	\$360,082.69				
	Teak Tree	\$93,969.15	\$375,876.61				
	Terrain Formers	\$103,624.52	\$414,498.08				

*** Recommended Bidder**

Total costs including Net HST for the award recommendations for Tender No.13-049 are:

1 Year Total Cost: \$671,011.50 – This represents approximately 143.63 KM of snow and ice control ; the clearing of 57 remote bus stops and any additional specialized equipment and labour for extraordinary weather events.

The 4-Year total value of the contract is \$2,684,046.03