


Item No. 11.1.4
Halifax Regional Council
September 10, 2013

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY: Original signed by 
Richard Butts, Chief Administrative Officer

Original Signed by 
Mike Labrecque, Deputy Chief Administrative Officer

DATE: July 10, 2013

SUBJECT: Award Tender No. 13-050 Winter Streets Snow and Ice Control
Windsor Junction/Fall River
Award Tender No. 13-051 Winter Streets Snow and Ice Control Upper
Sackville/Beaver Bank

ORIGIN

This report relates to the service delivery of snow and ice control for streets and roads in the Fall River/Windsor Junction area and the Upper Sackville/Beaver Bank area.

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 Nos.13-050 Winter Streets Snow and Ice Control Windsor Junction/ Fall River and 13-051 Winter Streets Snow and Ice Control Upper Sackville/Beaver Bank to the lowest bidder, meeting specifications noted and at the estimated prices provided below, for the period of November 1 to April 30 inclusive each year of a four-year term for years 2013 through 2017, and a fifth year option (at HRM's sole discretion)

RECOMMENDATION CONTINUED ON PAGE 2

for a one-year extension. Each year of the agreement will be subject to annual review of performance, service and operational requirements. Funding will be from Operating Account R771-6399, East Ice Control, as outlined in the Financial Implications section of this report. The recommended bidders are:

- a) Award Tender No. 13-050 to Teak Tree Enterprises for a total estimated tender price of \$3,039,234.43 (net HST included).
- b) Award Tender No. 13-051 to Dexter Construction Company Ltd for a total estimated tender price of \$3,105,695.06 (net HST included).

BACKGROUND

Traditionally street snow and ice control has been carried out using in-house resources and hourly based contract equipment as required. In a typical weather event HRM equipment is dispatched first and then capacity is ramped up with hourly based trucks and loaders to meet service standards and provide clean-up. As the operation winds down, hourly based equipment is taken off line and the outstanding work is completed by in-house HRM crews.

Since 2009, Municipal Operations has undertaken a yearly review and introduced efficiencies in the Winter Works Program, including:

- Pre and mid-winter meetings with Councilors to identify local “hot spots”, resident issues and service quality.
- Salt management and anti-icing strategies implemented.
- Introduction of Direct Liquid Application (brine).
- Establishment of the Winter Safety Operations Team with key stakeholders to address communication issues around overnight winter parking ban, incremental snow removal and update reports through e-mails and web updates during major snow events.
- Pre and post event planning and analysis of events to identify cost concerns and service standard issues.
- Works Control processes put in place that identify and manage non-snow tasks, customer concerns and snow damage repairs
- Installation of salt scales which will enhance accountability, measurement and security of salt resources.
- HRM equipment review which resulted in the decommissioning of 21 pieces of snow equipment
- Route optimization and capacity review which resulted in decreased retainer costs for hourly equipment.
- Incremental removal of accumulated snow banks through planned night shifts and during regular hours

Award Tender No. 13-050 Winter Streets Snow and Ice Control Windsor Junction/Fall River Award Tender No. 13-051 Winter Streets Snow and Ice Control Upper Sackville/Beaver Bank

- Enhanced service to transit shelters in the Capital Districts to improve service and encourage Metro Transit use during weather events.
- Overnight Winter Parking Ban enforcement and communications strategy.

Considerable experience has been gained through the supervision and administration of successful performance-based grass contracts and performance-based sidewalk snow and ice contracts. Staff is confident in the ability to successfully manage street based contracts given the experience gained with the three (3) performance-based street tenders first issued in 2011; accounting for 24% of the street inventory. The award of Tender Nos. 13-050 and 13-051 will increase the performance contract inventory to 35%.

DISCUSSION

Tender Nos. 13-050 and 13-051 were called and posted to the Province of Nova Scotia's Procurement website on May 10 & 11, 2013 and closed on May 28 & 29, 2013. Mandatory meetings for both tenders were held on May 16, 2013. Qualified Bids were received from the following companies:

Tender No. 13-050 Windsor Junction/Fall River		
Name of company	Year 1 Total - Including Net HST	4 Years Total- Including Net HST
Teak Tree*	\$759,808.61	\$3,039,234.43
Dexter	\$762,456.13	\$3,049,824.51
Ocean	\$921,877.29	\$3,687,509.16
Elmsdale Landscaping	\$927,899.49	\$3,711,597.97
Leahey's Landscaping	\$977,919.18	\$3,911,676.71
Allterrain	\$1,194,346.75	\$4,777,387.00

Tender No. 13-051 Upper Sackville/Beaver Bank		
Name of company	Year 1 Total - Including Net HST	4 Years Total- Including Net HST
Dexter*	\$776,423.77	\$3,105,695.06
Teak Tree Enterprises	\$829,228.04	\$3,316,912.17
Leahey's Landscaping	\$834,276.01	\$3,337,104.03
Ocean Contractors	\$999,151.55	\$3,996,606.19

*** Recommended Bidder**

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.

Decisions to move from an in-house solution to a Performance Based one are not made solely on the basis of cost. While less expensive on average in this case, a move to introduce Performance Base contracts in this area will not result in a loss of CUPE work, rather just enable a re-allocation of other areas within HRM to the in-house crews.

Results of Tender Nos. 13-050/ 13-051 Performance-Based Winter Street and Road Snow and Ice Control

	Contracted Costs	Current in-house costs using 3 year average regional cost per lane/km
13-050 Fall River /Windsor Junction 216.56 lane/km	\$3,420 per lane/km	\$3,893 per lane/km
13-051 Upper Sackville/Beaver Bank 237 lane/km	\$3,188 per lane/km	\$3,893 per lane/km

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 \$1,536,300 (net HST included) from Account R771-6399, East Ice Control. The availability has been confirmed by Finance.

ENVIRONMENTAL IMPLICATIONS

No implications identified.

ALTERNATIVES

Continue to plow using combination in-house resources and hourly-based contractors.

ATTACHMENTS

None

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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