




P.O. Box 1749
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Item No. 11.1.4
Halifax Regional Council
March 31, 2015

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: February 26, 2015

SUBJECT: **Award – Tender 15-003 Grass Mowing Dartmouth South, Eastern
Passage and Dartmouth Centre, Districts 3 & 5.**

ORIGIN

This report originates with the requirement for HRM to contract Grass Mowing services for Dartmouth South/Eastern Passage and Dartmouth Centre for Districts 3 & 5.

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 RFPs. See Charter Sections 79(1) and 322(3).

The following report conforms to the above Policy.

RECOMMENDATION

It is recommended that Halifax Regional Council award Tender No. 15-003, Grass Mowing, Districts 3 & 5, to the lowest bidder meeting specifications: Teak Tree Enterprises Limited, for a three (3) year contract price of \$548,211.69 (net HST included), with an option to renew for two additional one-year terms. Funding is available from Operating Account W191 GL 6399 as outlined in the Financial Implications section of this report.

BACKGROUND

In October 2014, the four-year grass maintenance contracts expired. These contracts were inventoried and tendered around existing electoral boundaries at that time. With the reduction of electoral districts and re-drawing of boundary lines in 2012, the grass mowing inventories have been reorganized to align with the current electoral boundaries and grouped into bundles of similar sizes to the last contracts. As with the last contracts, we are continuing with a frequency of cuts cycle.

Due to the fact that our new Tenders are aligned with the current electoral boundaries, whereas the previous Tenders were from the 2008 boundaries, it is difficult to compare annual cost. However, as a result of reviewing, refining and reorganizing the inventory data as well the competitive commercial market, we are noticing an overall estimated target of a 20% decrease in cost. The 20% decrease in cost is based on the result of using a pricing matrix which has provided a fixed price to each service level in calculating square meters to be mowed in the new boundaries, also allowing some inflation as the previous contracts have been frozen over the past four years and keeping in mind that fuel and labour has increased.

Our estimation using the matrix had this total tender as \$712,500. The pricing received could be from the aggressive bidding due to competition.

To date there are still four (4) more Tenders to close. Once these Tenders have been awarded a better comparison of overall cost this year versus last year can be provided.

DISCUSSION

Tenders were called and posted to the Province of Nova Scotia's Procurement website on January 21, 2015, with the Tender closing on February 11, 2015. Bids were received as an annual lump sum.

Teak Tree Enterprises is the recommended low bidder.

| Company | Location | Year 1 (Incl. HST) | Year 2 (Incl. HST) | Year 3 (Incl. HST) | Total (Incl. HST) |
|---|---------------------------|-------------------------------|-------------------------------|-------------------------------|------------------------------|
| Teak Tree Enterprises | District 3 & 5 | *\$182,737.23 | \$182,737.23 | \$182,737.23 | \$548,211.69 |
| Changing Seasons | District 3 & 5 | \$243,003.06 | \$243,003.06 | \$243,003.06 | \$729,009.18 |
| Edmonds Landscape and Construction Services | District 3 & 5 | \$405,672.54 | \$405,672.54 | \$405,672.54 | \$1,217,017.62 |

*The annual rates outlined in the Table above include spring clean-up.

Note: In addition to the standing offer, an additional agreement will be set up with the successful proponent outlining the rate per square meter which will be used for additional work on an as required basis.

FINANCIAL IMPLICATIONS

Based on the lowest bid price of \$525,681.00 plus net HST of \$22,530.69 for a net total cost of \$548,211.69, funding is available from Operating Account W191 GL 6399. Budget availability has been confirmed by Finance.

| | | |
|------------------------|---------|------------------------------|
| Totals for - | Year 1: | \$ 182,737.23 net HST |
| | Year 2: | \$ 182,737.23 net HST |
| | Year 3: | \$ 182,737.23 net HST |
| TOTAL (3 years) | | \$ 548,211.69 net HST |

ENVIRONMENTAL IMPLICATIONS

No implications identified

ALTERNATIVES

None

ATTACHMENTS

None

A copy of this report and information on its status can be obtained by contacting the Procurement Office at 902-490-4170, or Fax 902-490-6425.

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Report Approved by: _____
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