



The Corporation of the Town of Tecumseh

Public Works & Environmental Services

To: Mayor and Members of Council

From: Phil Bartnik, Director Public Works & Environmental Services

Date to Council: June 23, 2020

Report Number: PWES-2020-28

Subject: Tar and Chip Tender Award 2020

Recommendations

It is recommended:

That the sole tender from Shepley Road Maintenance Ltd. in the amount of \$180,687 plus non-rebatable HST, for the 2020 Tar and Chip Tender, **be approved**;

And that the Mayor and Clerk **be authorized** to enter into contract for the services with Shepley Road Maintenance Ltd.

Background

At the December 10, 2019 Regular Meeting of Council, Council approved recommendations of Report No. PWES-2019-49 titled "2020-2024 Public Works & Environmental Services Five Year Capital Works Plan" that authorized Administration to proceed with the 2020 capital works projects including the 2020 Tar and Chip Program (Motion: RCM-401/19).

The Tar and Chip Program includes the tar and chip of the 9th Concession Road and 10th Concession Road from County Road 8 to South Talbot Road as well as tar and chip repair work and crack sealing at various locations throughout the municipality. The budgeted cost for these works is \$200,000.

The Town's Purchasing By-law 2017-63 and accompanying Purchasing Policy require Town Council approval for contracts in certain circumstances, as is detailed in the Comments section of this report.

Comments

A tender call was advertised on the Town's website on May 27, 2020 along with posting on the Town's bids and tenders account. One tender submission was received on June 11, 2020.

The Town of Tecumseh Purchasing Policy Section 4.5(b) & (c): Only One Bid Received, indicates that:

- b) "In the event that only one bid is received in response to a request for tender, the bid may be opened and evaluated in accordance with the Town's usual procedures when, in the opinion of the Department Director and Purchasing Officer, the bid should be considered by the Town. If, after evaluation by the Department Director and Purchasing Officer, the bid is found not to be acceptable, they may follow the procedures set out in Subsection 4.4 a) to d).
- c) In the event that the bid received is found acceptable, it will be awarded as an irregular result under Schedule "A" of the Purchasing By-law."

With reference to the Town's Purchasing Policy section 4.5 (b), a decision was made to open the sole tender as, in the opinion of the Department Director, via delegation to Manager Roads and Fleet, it was not reasonably expected that additional tenders would be received if this project was re-tendered. The Town's experience over the past several years has shown that there are very few tar and chip contractors available to bid on this type of work. The Purchasing Officer concurred with the option to open the single tender.

Furthermore, Shepley Road Maintenance has been awarded the Tar and Chip Tender by the Town of Tecumseh over the past eight years – every year since 2012 – and the work was completed in a professional and timely manner.

Contractor	Tender (excluding HST)
Shepley Road Maintenance Ltd.	\$180,687

Administration reviewed the tender and found that it was acceptable, i.e. no mathematical errors, etc.

With reference to the Town's Purchasing Policy Section 4.5 (c), Schedule "A" of the Purchasing By-law requires Town Council approval for "Irregular results" where the dollar value of the contract is greater than \$100,000.

Based on the limited number of contractors available to do this work, past good experience with the sole contractor who did bid on this project and the nature of this type of work with respect to estimated quantity of material, Administration recommends that the sole tender from Shepley Road Maintenance Ltd. in the amount of \$180,687 plus non-rebatable HST, for the 2020 Tar and Chip Tender, be approved and that the Town enter into a contract for the services with Shepley Road Maintenance Ltd.

Consultations

Financial Services

Financial Implications

Council approved an allocation of \$200,000 for the Tar and Chip and Crack Sealing as recommended with Report No. PWES-2019-49. The tender as received is within the approved allocation.

Item	Amount
Tar and Chip Tender Cost	\$180,687
Non-rebatable HST (1.76%)	\$3,180.09
Subtotal	\$183,867.09
Approved allocation per Report No. PWES-2019-49	\$200,000
Tar and Chip (9 th & 10 th Concessions, CR8 to South Talbot Rd.)	\$100,000
Crack Sealing (various locations)	\$100,000
Allocation surplus	\$16,132.91

It should be noted that the tender is based on estimated quantities. The final actual costs will be determined based on actual quantities required.

Based on the above-noted, Administration recommends that the tender of \$180,687 plus non-rebatable HST as provided by Shepley Road Maintenance Ltd., be accepted.

Link to Strategic Priorities

Applicable	2019-22 Strategic Priorities
<input type="checkbox"/>	Make the Town of Tecumseh an even better place to live, work and invest through a shared vision for our residents and newcomers.
<input checked="" type="checkbox"/>	Ensure that Tecumseh's current and future growth is built upon the principles of sustainability and strategic decision-making.
<input type="checkbox"/>	Integrate the principles of health and wellness into all of Tecumseh's plans and priorities.
<input checked="" type="checkbox"/>	Steward the Town's "continuous improvement" approach to municipal service delivery to residents and businesses.
<input type="checkbox"/>	Demonstrate the Town's leadership role in the community by promoting good governance and community engagement, by bringing together organizations serving the Town and the region to pursue common goals.

Communications

Not applicable ☒

Website ☐

Social Media ☐

News Release ☐

Local Newspaper ☐

This report has been reviewed by Senior Administration as indicated below and recommended for submission by the Chief Administrative Officer.

Prepared by:

Kirby McArdle, P.Eng.
Manager Roads & Fleet

Reviewed by:

Tom Kitsos, CPA, CMA, BComm
Director Financial Services & Chief Financial Officer

Reviewed by:

Phil Bartnik, P.Eng.
Director Public Works & Environmental Services

Recommended by:

Margaret Misek-Evans, MCIP, RPP
Chief Administrative Officer

Attachment Number	Attachment Name
None	None