



## The Corporation of the Town of Tecumseh

Public Works & Engineering Services

**To:** Mayor and Members of Council

**From:** Phil Bartnik, Director Public Works & Engineering Services

**Date to Council:** June 25, 2024

**Report Number:** PWES-2024-34

**Subject:** 2024 Tar and Chip Tender Award

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### Recommendations

It is recommended:

**That** report PWES-2024-34 2024 Tar and Chip Tender Award **be received**;

**And that** the sole tender for the 2024 Tar and Chip in the amount of \$260,790 excluding HST **be awarded** to Shepley Road Maintenance Ltd.;

**And further that** By-law 2024-051 be considered for first, second and third, **to authorize** the Mayor and Clerk to execute an agreement, satisfactory in form to the Town's solicitor, with Shepley Road Maintenance Ltd.;

**And further that** project allocations, reflecting a budget for the 2024 Tar and Chip Program of \$265,380, with a \$34,620 decrease to the original allocation, **be funded** from the Roads Lifecycle Reserve.

### Background

At the February 13, 2024 Regular Meeting of Council, Council approved recommendations of Report [PWES-2024-07](#) titled "2024-2028 Public Works & Engineering Services Five-year Capital Works Plan" that authorized Administration to proceed with the 2024 capital works projects including the 2024 Tar and Chip Program (Motion: RCM-05/24).

The Tar and Chip Program includes the tar and chip of Sexton Side Road from County Road 46 to Highway 3 and Highway 3 to South Talbot Road. This tender is for tar and chip repair works as well as crack sealing works at various locations throughout the municipality. The budgeted cost for these works is \$300,000.

The Town's Purchasing By-law 2021-60 and accompanying Purchasing Policy require Town Council approval for contracts in certain circumstances, as is detailed in the Comments section of this report.

## **Comments**

### **Tender Call No.1**

A tender call was advertised on the Town's website on May 6, 2024, along with posting on the Town's bids and tenders account. One tender submission was received on May 16, 2024.

Upon opening of the tender, it was discovered that an administrative error (by the Town) had occurred with the incorrect 'bid sheet' identifying the scope of the works being inadvertently enclosed within the tender documents. Administration rejected the tender submission, advised the sole contractor of the error that had occurred, and retendered the works.

### **Tender Call No.2**

A second tender call was advertised on the Town's website on May 21, 2024, along with posting on the Town's bids and tenders account. One tender submission was received on May 30, 2024.

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 the Subsections 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 Public Works and Transportation, 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.

Contractor	Tender (excluding HST)
Shepley Road Maintenance Ltd.	\$260,790

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 \$260,790 plus HST, for the 2024 Tar and Chip Tender, be approved and that the Town enter into a contract for the services with Shepley Road Maintenance Ltd.

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

## Consultations

Financial Services

## Financial Implications

Council approved an allocation of \$150,000 for Tar and Chip and \$150,000 for Crack Sealing as recommended with Report No. PWES-2024-07. The tender as received is within an acceptable range of the approved allocation.

Item	Amount
Tar and Chip and Crack Sealing Tender Cost	\$260,790

Non-rebated HST (1.76%)	\$4,590
Total	\$265,380
Approved allocation per Report PWES-2024-07	\$300,000
<b>Allocation surplus (deficit)</b>	<b>\$34,620</b>

It should be noted that the tender is based on estimated quantities. The final actual costs will be determined based on actual quantities required. Every effort to complete the works within the approved budget allocation will be made.

## Link to Strategic Priorities

Applicable	<a href="#">2023-2026 Strategic Priorities</a>
<input type="checkbox"/>	Sustainable Growth: Achieve prosperity and a livable community through sustainable growth.
<input type="checkbox"/>	Community Health and Inclusion: Integrate community health and inclusion into our places and spaces and everything we do.
<input checked="" type="checkbox"/>	Service Experience: Enhance the experience of Team Tecumseh and our citizens through responsive and respectful service.

## 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:

Dana Reid  
Public Works & Engineering Services Assistant

Reviewed by:

Kirby McArdle, P.Eng.  
Manager Public Works & Transportation

Reviewed by:

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

Reviewed by:

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

Recommended by:

Margaret Misek-Evans, MCIP, RPP  
Chief Administrative Officer

<b>Attachment Number</b>	<b>Attachment Name</b>
None	None