

Municipality Of Chatham-Kent

Infrastructure and Engineering Services

Public Works

To: Mayor and Members of Council

From: Jerry Corso
Manager, Public Works South

Date: March 17, 2020

Subject: Contract T20-104 Supply and Application of Dust Suppressants

Recommendation

It is recommended that:

1. The low bids for salt brine from Den-Mar Brines Limited be accepted in the amount of \$49.16 per m³ (including HST) for Tilbury East and Thamesville divisions, \$50.43 per m³ (including HST) for Raleigh and Kent Centre divisions and \$50.27 per m³ (including HST) for Ridgetown, Dover and Chatham Township divisions.
2. The low bids for alternative calcium chloride solutions from Den-Mar Brines Limited be accepted in the amount of \$215.55 per tonne (including HST) for Tilbury East division, \$211.81 per tonne (including HST) for Raleigh division, \$208.19 per tonne (including HST) for Kent Centre division, and \$203.07 per tonne (including HST) for Ridgetown, Dover, Chatham Township and Thamesville divisions.
3. Public Works Administration be authorized to approve two additional one year extensions to the contract if performance is satisfactorily completed after the first year of performance, at the same price as year 1.
4. The Mayor and Clerk be authorized to sign the necessary agreement.

Background

Contract T20-104 provides for the supply and application of dust suppressants on various gravel roads in the Municipality of Chatham-Kent. Bidders were advised that quantities are approximate only, and that the Municipality is not obligated to purchase the estimated quantities. Conversely, Chatham-Kent may purchase more if demand rises.

Bidders were asked to submit prices for specific areas, with the opportunity to bid on all areas within the entire Municipality. The tender is made up of three types of dust suppressants:

- (1) salt brine,
- (2) calcium chloride solution (flaked), and
- (3) alternative calcium chloride solutions.

The option was given to bid on type 1, type 2, type 3, or any combination thereof. New gravel typically uses type 2 or 3 and existing gravel uses type 1. The current service level allows for one application for all Chatham-Kent gravel roads and, if necessary, a second application on areas fronting homes only.

The tender is for one year with two optional years. If the successful contractor performs the first year of this contract adequately, Public Works will extend it by one year and then reassess for a final one year term.

Comments

On February 27, 2020, tenders were called for T20-104 Supply and Application of Dust Suppressants. Two bids were received and opened by the Purchasing Officer. However, upon review, one bid was found to be incomplete and subsequently disqualified from the process.

The results are attached as Appendix A.

Areas of Strategic Focus and Critical Success Factors

The recommendations in this report support the following areas of strategic focus:

Economic Prosperity:

Chatham-Kent is an innovative and thriving community with a diversified economy

A Healthy and Safe Community:

Chatham-Kent is a healthy and safe community with sustainable population growth

People and Culture:

Chatham-Kent is recognized as a culturally vibrant, dynamic, and creative community

Environmental Sustainability:

Chatham-Kent is a community that is environmentally sustainable and promotes stewardship of our natural resources

The recommendations in this report support the following critical success factors:

Financial Sustainability:

The Corporation of the Municipality of Chatham-Kent is financially sustainable

 Open, Transparent and Effective Governance:

The Corporation of the Municipality of Chatham-Kent is open, transparent and effectively governed with efficient and bold, visionary leadership

Has the potential to support all areas of strategic focus & critical success factors

Neutral issues (does not support negatively or positively)

Consultation

Tenders were opened by the Purchasing Officer and reviewed by the Manager, Public Works South.

Financial Implications

Historical costs for the supply and application of dust suppressants are summarized below in Table 1.


Table 1: Historical Costs for Supply and Application of Dust Suppressants

Year	Total Spent	Annual Budget
2011	\$ 639,851	\$ 965,460
2012	\$ 719,922	\$ 965,460
2013	\$ 619,464	\$ 956,741
2014	\$ 601,958	\$ 958,038
2015	\$ 654,078	\$ 957,032
2016	\$ 735,545	\$ 957,598
2017	\$ 730,952	\$ 898,374
2018	\$ 664,283	\$ 846,053
2019	\$ 701,551	\$ 768,968

Unit pricing has decreased from last year and Public Works is confident that the current service level can be achieved within this year's approved dust layer budget of \$708,968. Estimated quantities are based on historical values but will allow Administration to be flexible in the amount of dust suppressant purchased if summer weather conditions are favourable, or to align the use with annual budget allotments as directed by Council.

Administration will continue to monitor usage and weather conditions. If increased usage is necessary due to a dry season, Administration will make a supplementary budget request for additional funding.

Prepared by:



Jerry Corso
Manager, Public Works South

Reviewed by:



Ryan Brown, P.Eng.
Director, Public Works

Reviewed by:

Thomas Kelly, P.Eng., MBA
General Manager
Infrastructure and Engineering Services

Consulted and confirmed the content of the consultation section of the report by:

Jennifer Scherle
Purchasing Officer
Financial Services

Attachments: Appendix A – Tender Results T20-104 Supply and Application of Dust Suppressants

C: Purchasing Officer, Corporate Services

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Quotation Closed: February 27, 2020
Project Number: T20-104
Project: Supply and Application of Dust Suppressants

Section 1: Salt Brine

Item No.	Description	Estimated Quantity (m³)	Den-Mar Brines Ltd.						Da-Lee Dust Control					
			2020 Total Cost (m3)	2020 Price	2021 Total Cost (m3)	2021 Price	2022 Total Cost (m3)	2022 Price	2020 Total Cost (m3)	2020 Price	2021 Total Cost (m3)	2021 Price	2022 Total Cost (m3)	2022 Price
1.1	Area 1A: Tilbury East Apply to various loose top roads	3,100	43.50	\$ 134,850.00	43.50	\$ 134,850.00	43.50	134,850.00	Bidder Disqualified					
1.2	Area 1B: Raleigh Apply to all loose top roads	2,760	44.63	\$ 123,178.80	44.63	\$ 123,178.80	44.63	123,178.80						
1.3	Area 1C: Harwich Apply to all loose top roads	3,400	44.63	\$ 151,742.00	44.63	\$ 151,742.00	44.63	151,742.00						
1.4	Area 1D: Ridgetown Apply to various loose top roads	3,760	44.49	\$ 167,282.40	44.49	\$ 167,282.40	44.49	167,282.40						
1.5	Area 2A: Dover Apply to various loose top roads	1,530	44.49	\$ 68,069.70	44.49	\$ 68,069.70	44.49	68,069.70						
1.6	Area 2B: Chatham Township Apply to various loose top roads	1,130	44.49	\$ 50,273.70	44.49	\$ 50,273.70	44.49	50,273.70						
1.7	Area 2C: Thamesville Apply to various loose top roads	1,410	43.50	\$ 61,335.00	43.50	\$ 61,335.00	43.50	61,335.00						
Subtotal				\$ 756,731.60		\$ 756,731.60		\$ 756,731.60						
HST				\$ 98,375.11		\$ 98,375.11		\$ 98,375.11						
Total				\$ 855,106.71		\$ 855,106.71		\$ 855,106.71						

Section 2: Calcium Chloride Solution

Item No.	Description	Estimated Quantity (Tonne)	Den-Mar Brines Ltd.						Da-Lee Dust Control					
			2020 Total Cost (tonne)	2020 Price	2021 Total Cost (tonne)	2021 Price	2022 Total Cost (tonne)	2022 Price	2020 Total Cost (tonne)	2020 Price	2021 Total Cost (tonne)	2021 Price	2022 Total Cost (tonne)	2022 Price
2.1	Area 1A: Tilbury East Apply to various loose top roads	235	no bid	\$ -	no bid	\$ -	no bid	\$ -	Bidder Disqualified					
2.2	Area 1B: Raleigh Apply to all loose top roads	320	no bid	\$ -	no bid	\$ -	no bid	\$ -						
2.3	Area 1C: Harwich Apply to all loose top roads	235	no bid	\$ -	no bid	\$ -	no bid	\$ -						
2.4	Area 1D: Ridgetown Apply to various loose top roads	320	no bid	\$ -	no bid	\$ -	no bid	\$ -						
2.5	Area 2A: Dover Apply to various loose top roads	330	no bid	\$ -	no bid	\$ -	no bid	\$ -						
2.6	Area 2B: Chatham Township Apply to various loose top roads	435	no bid	\$ -	no bid	\$ -	no bid	\$ -						
2.7	Area 2C: Thamesville Apply to various loose top roads	190	no bid	\$ -	no bid	\$ -	no bid	\$ -						
Subtotal				\$ -		\$ -		\$ -						
HST				\$ -		\$ -		\$ -						
Total				\$ -		\$ -		\$ -						



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Section 3: Alternative Calcium Chloride Solutions

Item No.	Description	Estimated Quantity (Tonne)	Den-Mar Brines Ltd.						Da-Lee Dust Control					
			2020 Total Cost (tonne)	2020 Price	2021 Total Cost (tonne)	2021 Price	2022 Total Cost (tonne)	2022 Price	2020 Total Cost (tonne)	2020 Price	2021 Total Cost (tonne)	2021 Price	2022 Total Cost (tonne)	2022 Price
3.1	Area 1A: Tilbury East Apply to various loose top roads	350	190.75	\$ 66,762.50	190.75	\$ 66,762.50	190.75	\$ 66,762.50	Bidder Disqualified					
3.2	Area 1B: Raleigh Apply to all loose top roads	480	187.44	\$ 89,971.20	187.44	\$ 89,971.20	187.44	\$ 89,971.20						
3.3	Area 1C: Harwich Apply to all loose top roads	350	184.24	\$ 64,484.00	184.24	\$ 64,484.00	184.24	\$ 64,484.00						
3.4	Area 1D: Ridgetown Apply to various loose top roads	560	179.71	\$ 100,637.60	179.71	\$ 100,637.60	179.71	\$ 100,637.60						
3.5	Area 2A: Dover Apply to various loose top roads	490	179.71	\$ 88,057.90	179.71	\$ 88,057.90	179.71	\$ 88,057.90						
3.6	Area 2B: Chatham Township Apply to various loose top roads	650	179.71	\$ 116,811.50	179.71	\$ 116,811.50	179.71	\$ 116,811.50						
3.7	Area 2C: Thamesville Apply to various loose top roads	280	179.71	\$ 50,318.80	179.71	\$ 50,318.80	179.71	\$ 50,318.80						
Subtotal				\$577,043.50		\$577,043.50		\$577,043.50						
HST				\$ 75,015.66		\$ 75,015.66		\$ 75,015.66						
Total				\$652,059.16		\$652,059.16		\$652,059.16						

Recommendation: Da-Lee was disqualified by the Purchasing Department
 It is recommended that Den-Mar Brines be awarded the contract for Section 1 and 3