



ROAD & BRIDGE REPORT

To: Council

Meeting Date: April 9, 2024

Prepared by: Chris Cook
Director of Public Works

Date Prepared: March 26, 2024

Subject: 2024 Gravel Resurfacing Program

Recommendation:

Whereas The Public Works department tenders annually for gravel resurfacing for a portion of our gravel road network which includes supply and hauling of granular “A” gravel to various roads throughout the township, and;

Whereas Contract No. 2024-03 for Gravel Resurfacing was tendered with only one (1) bid submission received of \$383,635.20, which exceeded the budgeted amount, and;

Whereas Staff believed a better price could be obtained through sourcing the supply of granular “A” and the trucking of that material separately;

Therefore, it be resolved that Contract No. 2024-03 be cancelled, and further;

That Council award Contract No. 2024-05 to Dufferin Aggregates for supply of granular “A” to be used for gravel resurfacing for a cost not to exceed \$263,749.20 including the Township’s portion of HST at 1.76%, and further;

That Council award Contract No. 2024-06 to Bre-Haul Trucking Ltd for hauling and spreading Granular “A” material for the gravel resurfacing program for a cost not to exceed \$69,054.34 including the Township’s portion of HST at 1.76%;

Therefore, the total cost for the gravel resurfacing program shall not exceed \$332,803.54 including the Township’s portion of HST at 1.76%.

Summary:

The Gravel Resurfacing tender was advertised using the Bids and Tenders website. This tender has been advertised annually for many years. Staff have always felt that the price provided through the tender was fair and would recommend the low bidder to be awarded the contract provided all specifications within the tender were met. The tender has historically had two (2) to three (3) submissions from contractors. This was not the case for the 2023 tender last year and again is not the case in 2024, as only one (1) contractor submitted a bid, and the bid was higher than Staff had anticipated.

Therefore, Staff feel that following a similar process to last year of sourcing the supply of Granular “A” gravel and trucking separately will yield the best results for the Township in terms of total cost.

Gravel resurfacing for 2024 is planned for the following locations:

- Hackbart Road (Gerber Road to Ament Line)
- Hutchison Road (William Hastings Line to Ament Line)
- Ayrshire Lane (Hutchison Road to the end)
- Boomer Line(Hutchison Road to 160m west of Moser-Young Road)
- Empey Road (Boomer Line to the end at the Conestoga River)
- Powell Road (Lawson Line to Line 86)
- Temperance Road (Herrgott Road to Broadway Street)
- Bricker School Line (Temperance Road to Steffler Road)
- Mallot Road (Bricker School Line to Line 86)

Report:

The Gravel Resurfacing Program is required annually to maintain good quality gravel roads throughout the Township. This process consists of spreading new gravel over the existing surface and manipulating that new gravel to grade in order to provide adequate road structure and drainage. The work to grade the new gravel is completed by our Public Works staff in house immediately following the supply trucks. Roughly one third (1/3) of the Townships overall gravel road network is completed each year through this process. Last year (2023) the contract was to supply and haul 18,500 metric tonnes of Granular “A”. Over the past several seasons’ Staff have reduced the amount of gravel to be used to accommodate the rapid increase in gravel prices and have switched from requesting Granular “M” to Granular “A” strictly due to the price point being higher for the Granular “M”.

The Gravel Resurfacing Contract No. 2024-03 tender was advertised using the “Bids and Tenders” website at bidsandtenders.com, where contractors had an opportunity to ask questions and get clarification on items within the tender, they felt were unclear. The answers to those questions were posted on the Bids and Tenders website for all potential contractors to view for transparency. The bids were submitted electronically prior to 2:00pm on Tuesday February 13, 2024.

The Township received one (1) submission to the tender as follows:

Bidder	Contract Price (including 1.76% HST)	Gravel Supply Only (per metric tonne)	\$ per Metric Tonne
Joe Kerr Limited	\$383,635.20	\$14.30	\$20.35

Due to the one (1) quote received being over the approved budget, Staff recommend **NOT** awarding this contract and have investigated a process, similar to last year, of supplying, hauling, and placing the granular material separately.

Staff have reached out to gravel suppliers within the Township inquiring about price and quantity availability of Granular “A” material to be used for this gravel resurfacing program. Two (2) pits were able to accommodate the request and staff feel the unit rates are reasonable.

The Township requested a quote from all four (4) gravel pits in the township and received two (2) quotes as follows:

Bidder	Quoted Price
Dufferin Aggregates (Wolfe Pit)	\$13.75 per metric tonne
Steed and Evans	\$12.84 per metric tonne
Joe Gerber Pit	Not available
Darrell Erb Pit	Not available

Staff also reached out to three (3) trucking companies that have belly-dump trucks for spreading the gravel to obtain quotes for hauling and spreading the material on our gravel roads and received two (2) quotes.

A summary of the quotes received for hauling and spreading is as follows:

Bidder	Quote to Haul from Dufferin Aggregates	Quote to Haul from Steed and Evans
Bre-Haul Trucking Ltd.	\$3.60 per Metric Tonne	\$4.80 per Metric Tonne
Joe Kerr Limited	\$3.75 per Metric Tonne	\$7.15 per Metric Tonne
Donegan’s Haulage	No price available	No price available

Therefore, the total cost of the project on a “per tonne” basis is as follows:

Total Cost per Tonne (including 1.76% HST)		
	Dufferin Aggregates	Steed and Evans
Bre-Haul Trucking Ltd.	\$17.66	\$17.95
Joe Kerr Limited	\$17.81	\$20.34

Based on the quotes obtained, Staff’s recommendation is to proceed with using Dufferin Aggregates to supply the Granular “A” material and Bre-Haul Trucking Ltd to haul and place the gravel.

Dufferin Aggregates was more expensive per metric tonne for the supply of the granular “A” material, but the pit where it will be picked up was significantly closer and therefore the total overall project cost with the savings in trucking more than offset the additional cost of the gravel supply and was the most cost-effective way to award this contract.

Township Strategic Plan:

This report aligns with the initiative of Infrastructure with the strategic goal to strengthen the culture of innovation and continuous improvement in the development and delivery of Township programs, services and infrastructure and directly relates to the strategic objective of identifying our infrastructure requirements and establishing priorities and implementation of projects.

Financial Implications:

The total cost at \$13.75 supplied plus \$3.60 placed equals \$17.35 per metric tonne. Including the Townships portion of HST at 1.76%, the unit rate equals \$17.66 per metric tonne, which equates to a total project cost of \$332,803.54. Comparatively, the tendered price was \$383,635.20 including the Townships portion of HST at 1.76%. Therefore, the method Staff have chosen to use for the gravel supply and placement will save the Township \$50,831.66 over the originally tendered price.

For the 2023 budgetary period the Gravel Resurfacing program was moved from a capital expense to an operating expense, therefore the cost of this program will be funded from the Gravel Resurfacing line within the Public Works operating budget which was approved at \$350,000. The Gravel Resurfacing program will now be within the approved budget.

Other Department / Agency Comments:

The purchasing bylaw stipulates that:

71. The Purchasing Agent may under the following conditions negotiate directly with one or more Bidders and in such cases the requirement for inviting tenders or quotations is waived:

- a. When goods are judged to be in short supply due to market conditions;*
- b. Where there is only one source of supply for the goods or services;*
- c. Where the extension or reinstatement of an existing contract or continuation with an existing vendor, with CAO and Treasurer approval, would be more cost effective or beneficial to the Township;*
- d. Where two or more identical bids have been received;*
- e. Where the lowest tender or quotation meeting specifications substantially exceeds the estimated cost and it is impractical to recall or reissue the tender or quotation;*
- f. When all bids received fail to meet the specification of tender terms and conditions and it is impractical to recall tenders or quotations;*
- g. When no bids are received in the tender or quotation call; or*
- h. When only one bid received in a tender or quotation.*

72. When negotiations are deemed necessary they shall be carried out in consultation with the Treasurer.

73. Any negotiated purchase contract for \$100,000.00 or more in value, excluding taxes and freight, shall be subject to approval from Council.

Based on this language in the purchasing bylaw and given the unique set of circumstances surrounding this tender, the Treasurer is in agreement with the process utilized to come to this recommendation by Staff.

Legal Considerations:

Due to the unique nature of this scenario staff reached out to our legal counsel to ensure not awarding the contract through the tender and further not awarding the gravel supply to the lowest price, but rather the lowest overall combination of services would be acceptable. The lawyer for the Township has confirmed that he has “no concerns from a legal perspective with

the circumstances of these quotes” and that we “are entitled to (and should) recommend that Council accept the combination of quotes (gravel and trucking) that will result in the lowest overall price.”

Attachment(s):

2024 Gravel Resurfacing Map

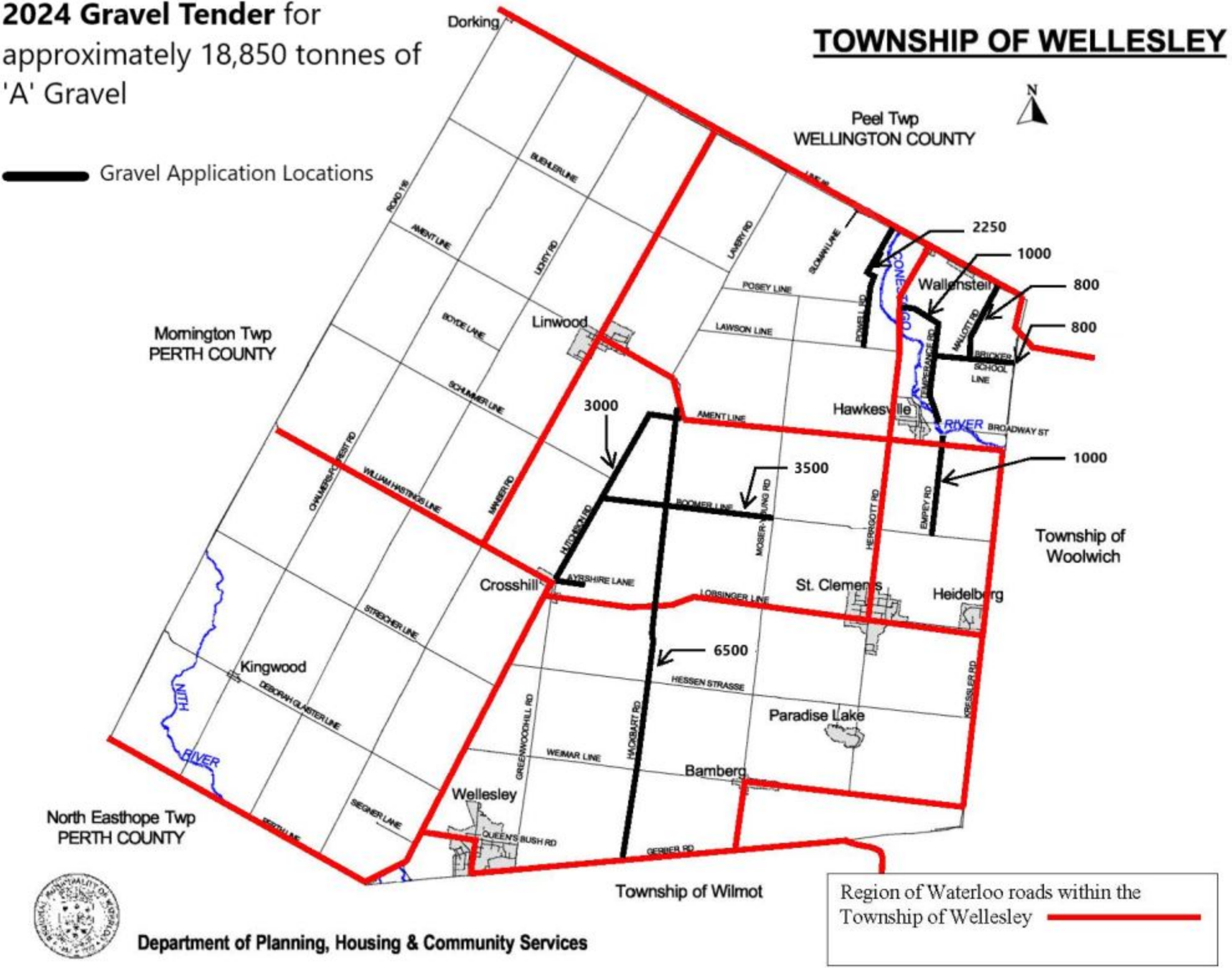
Approved By:

Rik Louwagie, Chief Administrative Officer

2024 Gravel Tender for approximately 18,850 tonnes of 'A' Gravel

TOWNSHIP OF WELLESLEY

 Gravel Application Locations



North Easthope Twp
PERTH COUNTY



Department of Planning, Housing & Community Services

Region of Waterloo roads within the Township of Wellesley 