

THE MUNICIPALITY OF LAMBTON SHORES

Report DPW 03-2022

Council Meeting Date: March 15, 2022

TO: Mayor Weber and Members of Council

FROM: Nick Verhoeven, Director of Public Works

RE: 2022 Operating Budget – Granular ‘M’ Gravel Supply and Delivery

RECOMMENDATION:

THAT Report DPW 03-2022 regarding the Tender award for the 2022 Gravel supply and delivery be received; and

THAT the Tender received from Johnston Brothers Bothwell Limited in the amount of \$16.96/tonne net HST for the supply and delivery of Granular ‘M’ Gravel at a volume of 26,000 tonnes be accepted; and

THAT the Mayor and Clerk be authorized to sign the associated contract agreement.

SUMMARY

This report presents a summary of the Tender award for the 2022 supply and delivery of granular ‘M’ gravel. Staff is recommending award to Johnston Brothers Bothwell Ltd.

BACKGROUND

In the 2022 Operating budget Lambton Shores included \$450,000 for the supply and delivery of granular ‘M’ gravel material to various roads within Lambton Shores. The material is required to maintain gravel roads. The tender was released with an estimated quantity of 30,000 tonnes based on previous years prices.

The tender was released in January 2022 and closed on February 22, 2022 with 2 submissions. The results are presented below:

Contractor	Bid Submission (No HST)	Bid Submission (Net of HST)
Johnston Bros. Bothwell Ltd	\$500,100.00	\$508,901.76
McKenzie & Henderson Ltd	\$510,000.00	\$518,976.00

The price per tonne of the lowest tender is \$16.96 net HST.

Previous years prices per tonne net HST have been as follows:

2021	\$14.68
2020	\$14.17
2019	\$14.02

Unit prices have increased drastically in 2022 and as a result the 30,000 tonnes estimated would be higher than the allocated budget for gravel supply. The tender document allowed for quantities to be adjusted by 20% without any adjustment to unit price therefore staff are proposing to contract an amount of 26,000 tonnes at the unit price to stay within the budget allocation.

In accordance with the Municipalities' purchasing policy this contract must be awarded by council because the contract value is over \$100,000. Staff have had the opportunity to review and confirm the low tender. The bid document was found to be complete, is acceptable contractually, the supplier is a reputable contractor in this area of work and has performed this work for Lambton Shores in 2020 and 2021. As such, staff recommend award of the tender from Johnston Bros. Bothwell Ltd net of HST price of \$16.96/tonne at a quantity of 26,000 tonnes.

ALTERNATIVES TO CONSIDER

No other alternatives are presented at this time. The tender for this material was released in keeping with the Municipality's Purchasing Policy to ensure the Municipality is receiving market competitive price for the purchase.

RECOMMENDED ACTIONS

Staff are recommending that the contract for gravel supply be awarded to Johnston Bros Bothwell Ltd at \$16.96 per tonne net HST at a quantity of 26,000 tonnes.

FINANCIAL IMPACT

The Municipality has a budgeted amount of \$450,000 within Transportation Services Loose Top Maintenance for the purchase of Granular 'M' material in 2022. The net of HST price of the tender received from Johnson Brothers Bothwell Limited is over the approved budget. The contract quantities will be reduced from 30,000 to 26,000 tonnes in order remain within the \$450,000 allocation.

CONSULTATION

Tender reviews were completed by Public Works Staff. Budget details confirmed by Treasurer.