



P.O. Box 1749  
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**Item No. 15.1.3**  
**Halifax Regional Council**  
**June 14, 2022**

**TO:** Mayor Savage and Members of Halifax Regional Council

**SUBMITTED BY:** Original Signed by   
\_\_\_\_\_  
Jacques Dubé, Chief Administrative Officer

**DATE:** June 2, 2022

**SUBJECT:** **Award – Request for Proposals 22-072 & 22-073 – Winter Maintenance of Streets and Sidewalks – WSZ1 (Cole Harbour, Eastern Passage, Lake Echo) & WSZ4 (Herring Cove, Timberlea, Upper Tantallon)**

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**ORIGIN**

This report relates to the service delivery of snow and ice control for streets, sidewalks, walkways, and trails within the Halifax Regional Municipality.

**LEGISLATIVE AUTHORITY**

The Municipality may spend money for municipal purposes in accordance with section 79A of the *Halifax Regional Municipality Charter*. The recommended contract award complies with all of the pre-requisites for awarding contracts as set out in section 26 of Administrative Order 2020-004-ADM, the *Procurement Policy*. Section 28 of the *Procurement Policy* provides that Halifax Regional Council may approve contract awards of any amount.

**RECOMMENDATION**

It is recommended that Halifax Regional Council award:

1. RFP 22-072, Winter Maintenance of Streets and Sidewalks (WSZ1) – Cole Harbour, Eastern Passage, Lake Echo, to Ocean Contractors Limited for a value of \$36,241,991.52 (net HST included) for four (4) years, with the option to renew for an up to four (4) year period for a total estimated value of \$74,181,136.79. The total value will be based on the Consumer Price Index (CPI) escalation annually for years five (5) through eight (8) based on the previous year's lump sum pricing and any requested additions to existing streets and sidewalks. Funding is provided from Operating Cost Centre R885 (PB Contracts Streets & Sidewalks), as outlined in the Financial Implications section of this report and, delegate authority to the Executive Director of Public Works to exercise any contractually defined options, including option years;

**RECOMMENDATION CONTINUES ON PAGE 2**

2. RFP 22-073, Winter Maintenance of Streets and Sidewalks (WSZ4) – Herring Cove, Timberlea, Upper Tantallon, to Dexter Construction Company Limited for a total value of \$26,028,482.03 (net HST included) for four (4) years, with the option to renew for an up to four (4) year period for a total estimated value of \$53,116,730. The total value will be based on the Consumer Price Index (CPI) escalation annually for years five (5) through eight (8) based on the previous year’s lump sum pricing and any requested additions to existing streets and sidewalks. Funding is provided from Operating Cost Centre R885 (PB Contracts Streets & Sidewalks), as outlined in the Financial Implications section of this report and, delegate authority to the Executive Director of Public Works to exercise any contractually defined options, including option years.
3. Approve an increase to Operating Cost Centre R885 – PB Contracts Streets and Sidewalks, in an amount up to \$586,800 with funding to be provided from any Public Works annual operating surpluses for the year 2022/23, and/or through the Risk Reserves, Options Reserve Q421, as per the Financial Implications section of this report.

## **BACKGROUND**

In the Spring of 2022, Winter Street and Sidewalk contracts will expire for the geographic areas of Cole Harbour, Eastern Passage, Waverley and Herring Cove, Timberlea, Cowie Hill – under Tenders 15-071, 15-073 and 17-051 (SWZ1 & SWZ4). In addition to the expiring contracts and inventory added through the regular course of business, HRM will be receiving an additional approximate 300 lane kilometres of roads from the Province of Nova Scotia, which will require winter maintenance for the upcoming 2022/2023 winter season. The length of the expired contracts was from November 15 up to and including May 15, while the new contracts run from November 1 up to and including May 15.

## **DISCUSSION**

The concept of the combined street and sidewalk contract; where one contractor is responsible for both the sidewalks and streets, was first implemented within HRM in the Sackville area (WSZ2) in 2017, and then additionally in the Bedford area (WSZ3) in 2019. One of the key advantages to this approach is the increased coordination between street and sidewalk operations, which reduces the frequency of street snow being deposited onto previously cleared sidewalks.

Request for Proposals (RFP) 22-072 Winter Maintenance of Streets and Sidewalks (WSZ1) – Cole Harbour, Eastern Passage, Lake Echo & 22-073 Winter Maintenance of Streets and Sidewalks (WSZ4) – Herring Cove, Timberlea, Upper Tantallon, were publicly advertised on the Province of Nova Scotia’s Procurement website on March 14, 2022 and closed on April 12, 2022.

Proposals were received from the following companies:

### 22-072

- Dexter Construction Company Limited
- Ocean Contractors Limited
- Provincial Pavement Markings Incorporated

### 22-073

- Dexter Construction Company Limited
- Ocean Contractors Limited
- Leahey’s Landscaping and Contracting Limited

A team consisting of three staff members from Infrastructure Maintenance & Operations and facilitated by Procurement, evaluated the proposals based on the criteria listed in the RFP. The RFP was scored using a two-envelope process. Envelope one covered the technical component (e.g., Communication Skills,

Team Composition and Experience, Understanding of HRM’s Needs, Quality Assurance, Communication and Social Value) and envelope two included the financial component of the RFP. As stated in the RFP, only those proponents that receive 75 percent or greater on the technical component may proceed to have their envelope two (financial) opened and evaluated.

The technical proposals for Provincial Pavement Markings Inc. and Leahey’s Landscaping and Contracting Ltd. failed to meet the minimum technical requirements from envelope one, and therefore their envelope two (financial) remained unopened.

In addition to a fixed rate cost for streets, sidewalks, walkways and trails snow & ice control, bidders were required to provide a per kilometre rate for additional work over and above the contract deliverables. Evaluation was based on the sum of the four-year fixed rate, plus four one-year option terms fixed rate, plus an estimated cost based on the per kilometre additional work. The amount quoted for additional work would only be spent if new streets and/or sidewalks were constructed and added to the current inventory.

Based on the evaluations,

**Ocean Contractors Ltd.** received the highest score among the proponents for RFP 22-072.

**Dexter Construction Company Ltd.** received the highest score among the proponents for RFP 22-073.

<b>RFP 22-072</b>					
<b>WSZ1 – Cole Harbour, Eastern Passage, Lake Echo Streets and Sidewalks</b>					
<b>Name of Company</b>	<b>Year 1 Total Including Net HST</b>	<b>Year 2 Total Including Net HST</b>	<b>Year 3 Total including Net HST</b>	<b>Year 4 Total including Net HST</b>	<b>Total 4 Year including Net HST</b>
Ocean Contractors Limited	\$8,512,306.48	\$8,684,107.75	\$8,684,107.75	\$9,204,937.80	<b>\$35,085,459.78</b>
Additional Work (no guaranteed spend)					<b>\$1,156,531.74</b>
<b>TOTAL</b>					<b>\$36,241,991.52</b>

<b>RFP 22-073</b>					
<b>WSZ4 – Herring Cove, Timberlea, Upper Tantallon Streets and Sidewalks</b>					
<b>Name of Company</b>	<b>Year 1 Total Including Net HST</b>	<b>Year 2 Total Including Net HST</b>	<b>Year 3 Total including Net HST</b>	<b>Year 4 Total including Net HST</b>	<b>Total 4 Year including Net HST</b>
Dexter Construction Company Limited	\$6,103,859.58	\$6,255,074.28	\$6,410,460.42	\$6,572,103.72	<b>\$25,341,498.00</b>
Additional Work (no guaranteed spend)					<b>\$686,984.03</b>
<b>TOTAL</b>					<b>\$26,028,482.03</b>

Each of the above-referenced proposals are for a four (4) year term, for years 2022/23, 2023/24, 2024/25, 2025/26, with four (4) one-year options that may be exercised at the discretion of HRM if the following criteria are met;

- a) If there is a continued need for the services performed under this contract**
- b) There are sufficient funds budgeted and available to exercise the option**
- c) The Department making the request wishes to exercise the option**
- d) The Contractor’s performance has been satisfactory**
- e) The contract includes options to support this request.**

## **FINANCIAL IMPLICATIONS**

During the 2022/23 budget presentations, budget estimates for the cost of these contract renewals were based upon historic pricing data and a consumer price index (CPI) adjustment of 5% was applied as per the corporate assumption for any new contracts, amounting to \$563,000. Now that Winter Street & Sidewalk RFP 22-072 and 22-073 have been posted and closed, the submitted costs are higher than the initial estimates presented during budget discussions.

The increased costs can partially be attributed to:

- increased costs for fuel and insurance;
- additional two weeks of availability;
- living wage requirements; and
- higher than anticipated overall inflation.

The table below summarizes the increases by 22/23 Winter Season (November 1, 2022 – May 15, 2023) as well as the additional requirement for the portion relating to the 22/23 Fiscal Year (November 1, 2022 – March 31, 2023). The below figures are inclusive of net HST and are rounded to the nearest \$00.

Value of Old Contracts vs. New Contracts	By 22/23 Winter Season		By 22/23 Fiscal	
	Nov. 1, 2022 - May 15, 2023		Nov. 1, 2022 - March 31, 2023	
	Old Contracts	New Contracts	Budget	Required
PB1 - Waverley, Cole Harbour, Eastern Passage	\$ 4,989,400		\$ 3,755,600	
PB4 - Herring Cove, Bayer's Lake, Timberlea	3,982,700		2,993,100	
SWZ1 - Cole Harbour, Eastern Passage, Waverley	2,015,400		1,517,000	
SWZ4 - Herring Cove, Timberlea, Cowie Hill	1,032,000		776,800	
Provincial Road Transfer estimate	2,000,000		1,631,000	
WSZ1		\$ 8,512,300		\$ 6,557,900
WSZ4		6,103,900		4,702,400
<b>TOTAL</b>	<b>\$ 14,019,500</b>	<b>\$ 14,616,200</b>	<b>\$10,673,500</b>	<b>\$ 11,260,300</b>
<b>Total increase</b>		<b>\$ 596,700</b>		<b>\$ 586,800</b>

The RFP contract price is a four (4) year term for years 2022/23 through 2025/26, with four (4) one-year options (at HRM’s sole discretion).

Based on the one-year total fixed bid price of \$14,616,200 (net HST included), funding in the amount of \$11,260,300 is available in R885, PB Contracts Streets and Sidewalks for the 2022/23 Fiscal Year. Funding for years two (2) to four (4) will be accommodated through future approved operating budgets. The budget availability has been confirmed by Finance.

Option years five (5) through eight (8) may be exercised and will be dependent on both performance and budget availability.

### **Budget Summary, Options Reserve, Q421**

Projected opening reserve balances as of April 1, 2022	\$ 9,019,213
Projected interest for 2022/23	\$ 113,800
Budgeted withdrawals 2022/23	(\$1,907,350)
Maximum withdrawal per recommendation	(\$ 586,800)
Projected available reserve balances	<u>\$ 6,638,863</u>

## **RISK CONSIDERATION**

Regional Council may choose not to award RFP 22-072 or RFP 22-073. These areas of the municipality would receive severely impacted winter snow and ice services for the 2022/23 winter season due to the

time restrictions involved in securing winter equipment and resources. Furthermore, Council-approved standards would not be met in these areas due to lack of staff and equipment.

### **ENVIRONMENTAL IMPLICATIONS**

No environmental implications were identified.

### **ALTERNATIVES**

Council could choose to cancel these RFP’s and have the service provided by HRM In-House Operations and/or hourly based contractors. Hourly based contracts do not have the security of a known fixed cost regardless of weather conditions. Due to specialized equipment required to provide such winter services, securing such equipment and qualified operators would present significant challenges.

### **ATTACHMENTS**

Appendix A – Map of WSZ1 & WSZ4 service areas

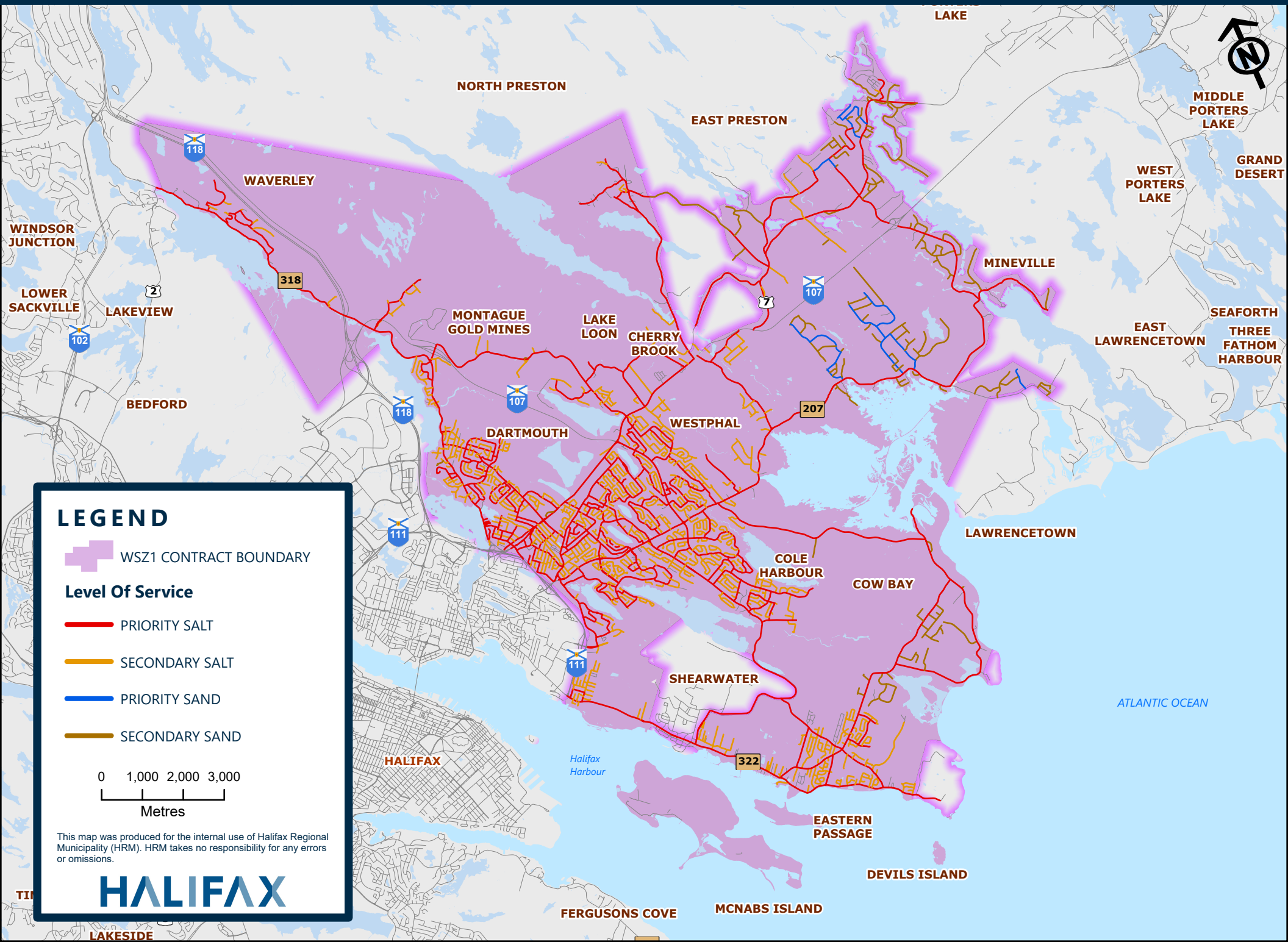
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A copy of this report can be obtained online at [halifax.ca](http://halifax.ca) or by contacting the Office of the Municipal Clerk at 902.490.4210.

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# WINTER SERVICE ZONE 1 - WSZ1



## LEGEND

 WSZ1 CONTRACT BOUNDARY

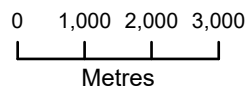
### Level Of Service

 PRIORITY SALT

 SECONDARY SALT

 PRIORITY SAND

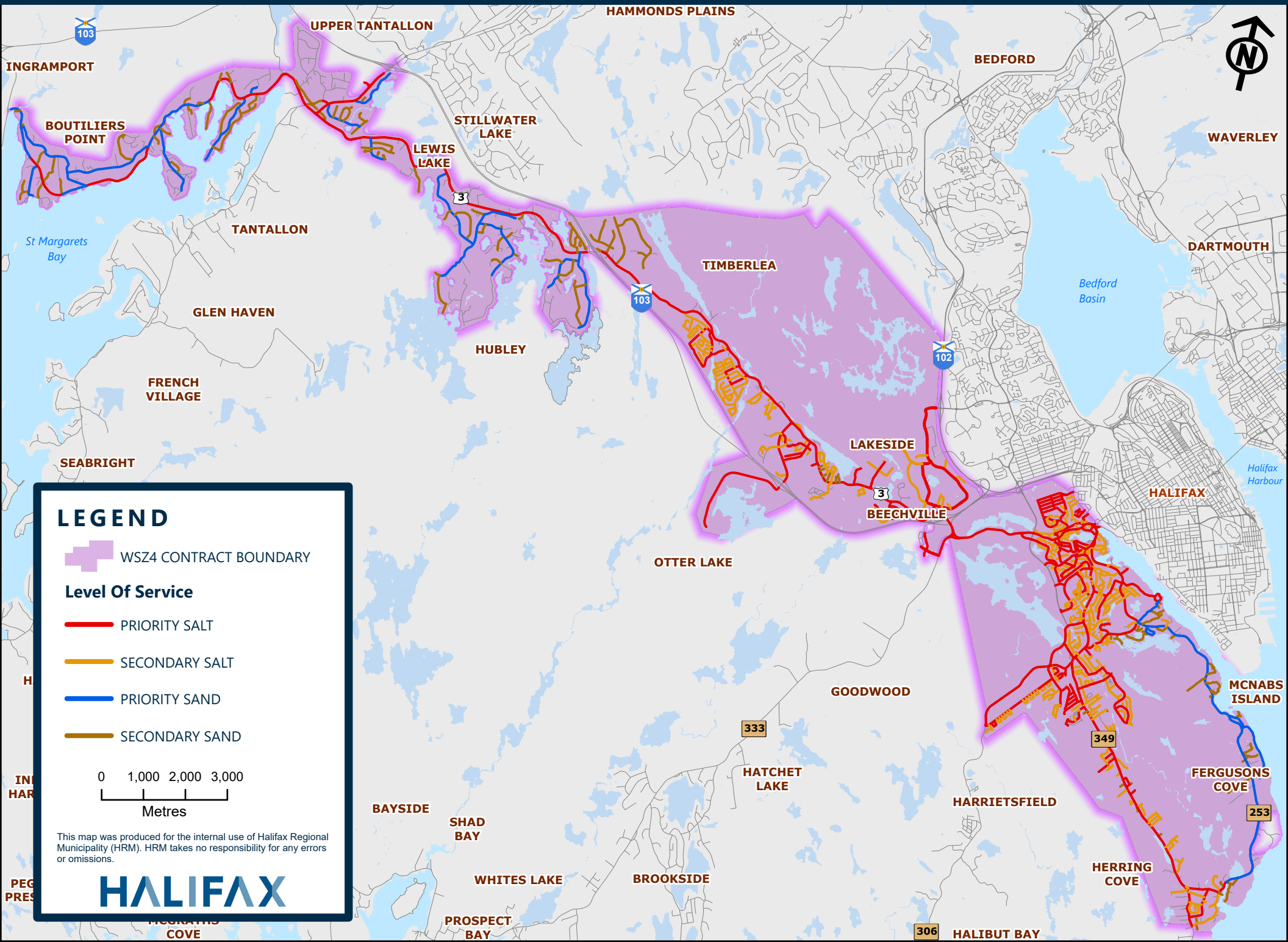
 SECONDARY SAND



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# WINTER SERVICE ZONE 4 - WSZ4



**LEGEND**

- WSZ4 CONTRACT BOUNDARY

**Level Of Service**

- PRIORITY SALT
- SECONDARY SALT
- PRIORITY SAND
- SECONDARY SAND

0 1,000 2,000 3,000  
Metres

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