



# The Corporation of the Municipality of Arran-Elderslie

## Staff Report

Report From: Scott McLeod, Public Works Manager

Meeting Date: June 26, 2023

Subject: SRW.23.13 Award Winter Sand Tender

Attachments: None

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### **Recommendation**

Be It Resolved that Council hereby:

1. Award the contracts for winter sand and salt, as per the terms and conditions posted by Bruce County, to Ed Karcher Construction Ltd., in the amount of \$58,731.75 including HST, based on a volume of 3,300 tonnes of sand and \$12,911.66 including HST for the salt from Compass Minerals; and
2. That this purchase be financed from Account #01-2520-4340 – Winter Sand/Salt – Material & Supplies.

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### **Report Summary**

The intent of this report is for Council to award the tender for the 2023/2024 winter sand supply to Ed Karcher Construction Ltd and salt from Compass Minerals.

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### **Background**

Each year, Bruce County includes Arran-Elderslie in the winter sand tender to optimize pricing due to larger volumes being purchased. This year, the Municipality requires 1,800 tonnes of winter sand at the Arran shop and 1,500 tonnes at the Elderslie shop. Tenders recently closed for the 2023/2024 Winter Sand Supply. There were four (4) bids for supply of the materials received.

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## **Analysis**

The results of the tenders are listed in the table below:

Vendor	Price per Tonne		Total Cost excl. HST
	Arran	Elderslie	
<b>Ed Karcher Construction Ltd.</b>	<b>\$15.75</b>	<b>\$15.75</b>	<b>\$51,975.00</b>
Johnston Bros. (Bothwell) Ltd.	\$20.00	\$18.65	\$63,975.00
Ron Gibbons Construction	\$16.50	\$16.50	\$54,450.00
Walker Aggregates Ltd. (HSC)	\$19.40	\$16.90	\$60,270.00
Cedarwell Excavating Ltd.	No Bid	\$16.00	\$24,000.00

Ed Karcher Construction Ltd., provided the lowest bid. The cost includes the supply, hauling, salt mixture and stacking.

A 5% salt mixture is added to the sand during the stacking process. The salt is an additional cost and is provided by Compass Minerals. A total of 165 tonnes of salt is required to complete the mixture. The price of salt is locked in for three (3) years, 2022-2024, at a cost of \$69.25 per tonne. The total cost is \$11,426.25 plus HST.

All of the costs above are excluding the HST.

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## **Link to Strategic/Master Plan**

### 6.4 Leading Financial Management

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## **Financial Impacts/Source of Funding**

The Municipality will fund these expenses from Account #01-2520-4340 - Winter Sand/Salt – Material & Supplies which has an approved budget of \$60,485. The combined cost of the sand and salt inclusive of HST is \$71,643.41. The total cost after the HST rebate is \$64,517.15. After consideration of year-to-date spending, there is budget remaining of \$57,093 to support this contract, thus resulting in a budget shortfall of \$7,424.

In 2020, Council passed resolution 9-141-2020 that provides for an annual transfer to Reserve of the surplus funds from Winter Control. There is over \$160,000 in Reserve 7263 – Winter Control. If a year-end deficit should arise, the departmental costs will be funded by the Winter Control Reserve. There are sufficient funds available to support the award of the contracts for the 2023/2024 season.

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Approved By: Sylvia Kirkwood, Chief Administrative Officer