



The Corporation of the Municipality of Arran-Elderslie

Staff Report

Council Meeting Date: March 25, 2024

Subject: SRW.24.02 2024 Supply and Apply Gravel Tender

Report from: Scott McLeod, Public Works Manager

Appendices: None

Recommendation

Be It Resolved that Council hereby;

1. Award the 2024 Supply and Apply Gravel tender contract to Walker Aggregates (HSC) for a total cost of \$643,478.50 inclusive of taxes;
2. That 6,900 tonne of A-gravel and 19,900 tonne of 7/8 quarry with a total cost of \$585,735.50 be financed from Account #01-2516-4328 Gravel-Contracts Resurfacing;
3. That 1,400 tonne of A-gravel and 1,400 tonne of 7/8 quarry at a total cost of \$57,743.00 be financed accordingly from 24-TRANS-0053 – Roads (A) Con 10 E-15 Sideroad to 10 Sideroad (swamp rebuild) and 24-TRANS-0054 – Roads (A) Sideroad 15-Con 10 to Con13W Swamp; and
4. That Staff be directed to enter into a contract for the supply and apply of maintenance gravel for the year 2025 and 2026 as follows:
 - A-Gravel – Per Tonne – 2025 - \$16.00 2026 - \$16.50
 - 7/8 Quarry – Per Tonne – 2025 - \$21.25 2026 - \$22.00

Report Summary

The purpose of this report is to provide information on the tender process for Supply and Apply Gravel and to obtain Council approval to award the 2024 Supply and Apply Gravel Tender to Walker Aggregates (HSC).

Background

The gravel roads in Arran-Elderslie receive a lift of new aggregate every spring prior to calcium placement. In 2018, the Municipality started to implement quarry gravel on rural roads that had gravel quality issues and each year the quarry gravel amounts have been increased to slowly cover the higher volume gravel roads with a quarry base. This has historically supplied gravel with more stone content and less fines, making better quality road gravel.

Analysis

The tendered quantities for 2024 were as follows:

Maintenance Purposes

- A – Gravel – 6,900 tonnes for maintenance aggregate
- 7/8 Quarry Stone – 19,900 tonnes for maintenance aggregate

Capital Projects

- A – Gravel – 1,400 tonnes for the Sideroad 15, Arran Construction project
- 7/8 Quarry Stone – 1,400 tonnes for the Concession 10, Arran project

Staff included a provisional item in the tender for 2025 and 2026 pricing to investigate the benefits of entering into a three-year contract for the supply and apply of maintenance gravel.

The following bids were received for the 2024 needs:

Company	Purpose	Price per Tonne	Total (incl. HST)	Grand Total (incl. HST)
A-Gravel				
E.C. King Construction	Maintenance	\$17.95	\$139,956.15	\$165,980.05
	Sideroad 15 Arran	\$16.45	\$26,023.90	
Walker Aggregates (HSC)	Maintenance	\$16.00	\$124,752.00	\$150,064.00
	Sideroad 15 Arran	\$16.00	\$25,312.00	
7/8 Quarry				
E.C. King Construction Ltd	Maintenance	\$23.30	\$523,947.10	\$557,169.10
	Conc 10 Arran	\$21.00	\$33,222.00	
Walker Aggregates (HSC)	Maintenance	\$20.50	\$460,983.50	\$493,414.50
	Conc 10 Arran	\$20.50	\$32,431.00	

The results of the provisional pricing for 2025 and 2026 are as follows:

Company	Material	2025	2026
E.C. King Construction	Granular A	\$18.85	\$19.30
	7/8 Quarry	\$24.45	\$25.05
Walker Aggregates (HSC)	Granular A	\$16.00	\$16.50
	7/8 Quarry	\$21.25	\$22.00

Staff have analyzed the cost increases from 2018 to present to understand if the proposed three-year pricing would be beneficial. The average annual increase over the past six years was 10.5%. The average annual increase for the three-year contract would be 3%. The three-year contract would remove the need to tender annually for gravel needs and provide more accurate figures during the budget process. Staff recommend that there is a significant benefit to securing these gravel costs for a three-year term.

Link to Strategic/Master Plan

6.1 Protecting Infrastructure, Recreation and Natural Assets

6.4 Leading Financial Management

Financial Impacts/Source of Funding/Link to Procurement Policy

The total cost of the tender award for 2024 is \$643,478.50 inclusive of taxes. The following figures are net of the HST rebate that the Municipality is eligible to receive.

Maintenance Gravel

The A-Gravel and 7/8 Quarry being used for maintenance purposes has a total cost of \$527,473.33 and would be financed from Account 01-2516-4328, Contract-Resurfacing with a budgeted amount of \$537,400.

Capital Costs

The capital gravel requirements total \$51,999.40 and would be financed accordingly from the capital project Accounts 24-TRANS-0053 – Roads (A) Con 10 E - 15 Sideroad to 10 Sideroad (swamp rebuild) and 24-TRANS-0054 – Roads (A) Sdrd15 - Con 10 to Con13W Swamp.

Approved by: Sylvia Kirkwood, Chief Administrative Officer