



Date: September 6, 2022  
From: Department of Engineering & Public Works  
Prepared by: Geoff Crossman, Manager of Public Work  
Project: Tender 22-08 - Snow Removal contracted zones (2002-2025)

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One (1) tender was received on September 1, 2022, for the above-mentioned project from the following bidder: The tender was reviewed to confirm completeness of the submission and were found to be complete.

Bidder	Price
Birch Hill Construction Ltd.	\$ 110,250.00 + HST

The budget amount for this service in 2022 is \$80,000 and during the winter period from January 1, 2022, to April 2022, we have spent \$79,000, leaving approx. \$1,000 for the remainder of the year.

The cost for this service has increased considerably since the last award in 2017; the increase of almost 50% reflects the significant inflation that has hit the construction industry. The contract has a build in fuel adjustment clause to try to remove the risk of escalating fuel prices but despite this shared risk approach, the price of diesel fuel continues to be an important cost and is very much reflected in the high rate for this service. We believe it is time to consider changes to the way we approach this service contract.

I recommend the tender be awarded to Birch Hill Construction Ltd. for \$ 110,250 plus HST for 1 year (September 2022 to April 2023) and this service contract be re-evaluated in 2023 prior to the 2023 budget deliberation.

  
Michel Ouellet, P.Eng.  
Director of Engineering & Public Works

  
Colin Smith, CAO