

**Municipality of Chatham-Kent**  
**Infrastructure and Engineering Services**  
**Public Works**

**To:** Mayor and Members of Council

**From:** Jordan Gray, C.E.T.  
Manager, Public Works South

**Date:** April 4, 2023

**Subject:** RFP Award: R23-104 – Supply and Application of Dust Suppressants

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**Recommendation**

It is recommended that:

1. The proposal for the supply and delivery of dust suppressants for gravel roadways within the Municipality be awarded to Den-Mar Brines Limited and the Mayor and Clerk be authorized to sign the necessary agreement.
2. The General Manager, Infrastructure and Engineering Services be authorized to approve two additional one-year extensions to the contract if performance is satisfactory.

**Background**

The supply and application of dust suppressants to gravel roadways within the Municipality is a critical component of gravel roadway maintenance. Historically, blended solutions made up of calcium, magnesium and sodium chlorides have been used as dust suppressants throughout the Municipality. As part of a complete proposal submission bidders were instructed to provide unit prices for the supply and delivery of dust suppressants to each area division of Public Works. The Municipality provided bidders with estimated quantities for the supply and delivery of dust suppressant products however the Municipality is not obligated to purchase the estimated quantities. Payment for this contract will be based on approved tickets of lading or by volumetric measurement of tankers.

The current level of service is to provide one (1) application of dust suppressant for each gravel roadway within the Municipality and a second application, if necessary, to areas fronting residential parcels. Roads that are being re-graveled in 2023 receive dust suppressant as the new gravel is being laid.

**Comments**

In accordance with the Purchasing Bylaw, RFP R23-104 for the supply and application of dust suppressants was advertised on the Bids & Tenders website on March 16, 2023.

Three (3) separate proposals were received by Purchasing on March 31, 2023. They were evaluated by administration using the approved evaluation matrix. The proposals were received using a two-envelope system with the technical proposals in one envelope and the fee schedule in a separate envelope. The total weighted scores and ranking for the submissions are summarized in Table 1.

**Table 1: Summary of Evaluation Scores**

<b>Rank</b>	<b>Contractor Name</b>	<b>Weighed Score (max. 1,000)</b>
1	Den-Mar Brines Ltd.	991.7
2	Da-Lee Dust Control	709.1
3	Pollard Distribution	0*

\*The submission from Pollard Distribution was incomplete and therefore received a score of zero.

The proposal submitted by Den-Mar Brines Ltd. identified experience delivering dust suppressant services to various municipalities in the past, including Chatham-Kent. Den-Mar Brines Ltd. also provides the unique ability to supply and deliver two (2) different locally sourced dust suppressant products which provides added value and flexibility for Road Supervisors. Both products are proprietary dust suppressant products that have been applied on the gravel roadways in Chatham-Kent under previous dust suppressant contracts. Based on the evaluation process, the proposal submitted by Den-Mar Brines Ltd. was deemed to be the highest ranked submission.

The unit prices for the supply and application of recommended dust suppressant solutions are summarized in Table 2. For information purposes, the 2022-unit prices for the same products are listed.

**Table 2: Unit Price Comparison**

PW Division Name I.D.	“Dust Fighter Lo-Cal” 2022 Unit Price (\$/m <sup>3</sup> )	“Dust Fighter Lo-Cal” 2023 Unit Price (\$/tonne)	“Dust Fighter Hi-Cal” 2022 Unit Price (\$/m <sup>3</sup> )	“Dust Fighter Hi-Cal” 2023 Unit Price (\$/tonne)
Tilbury East	\$43.50	\$81.33	\$190.75	\$304.23
Raleigh	\$44.63	\$81.06	\$187.44	\$303.31
Harwich	\$44.63	\$79.40	\$184.24	\$297.81
Ridgetown	\$44.49	\$77.20	\$179.71	\$290.46
Dover	\$44.49	\$77.61	\$179.71	\$291.84
Chatham Township	\$44.49	\$76.37	\$179.71	\$287.71
Thamesville	\$44.49	\$75.27	\$179.71	\$284.04

It is recognized that there is a sizable increase when comparing the 2022 and 2023 unit prices for the work under this contract. Administration spoke with the company to understand reasons behind the significant cost increase; fuel increases, labour, equipment costs and bonding were identified as the main cost increase drivers.

Options to renew the contract for two additional one-year periods may be granted by the General Manager of Infrastructure and Engineering Services, based on satisfactory performance after year one. If an extension is granted, the cost for years two and three of this contract will be based on the previous years amount plus Consumer Price Index (CPI). The CPI will be calculated using the average annual CPI from Statistics Canada.

### **Areas of Strategic Focus**

This report supports the following areas of strategic focus:

			
<b>Economic Prosperity</b>	<b>Healthy &amp; Safe Community</b>	<b>People &amp; Culture</b>	<b>Environmental Sustainability</b>
1.1, 1.2, 1.3	2.3, 2.4		4.1, 4.2

### **Consultation**

The proposals were received by Purchasing and distributed to the Public Works Department. The proposals were reviewed, evaluated, and ranked by a panel consisting of the Manager of Public Works South, Manager of Public Works North and the Manager of Drainage Services. Financial Services has confirmed the amount for the 2023 Public Works Dust Suppressant Program.

### **Communication**

The tender documents were posted on the Bids & Tenders website for prospective contractors to review. Unsuccessful bidders will be notified by the Purchasing through the website.

Road closure notices will be issued for any roads required to be closed as a result of the work associated with this contract.

### **Diversity, Equity, Inclusion and Justice (DEIJ)**

This report does not have implications related to diversity, equity, inclusion, or justice.

### **Financial Implications**

**Table 3: Recommended Costs and Funding Summary**

<b>Description</b>	<b>Total</b>
<b>A) Recommended Costs</b>	
Total Supply and Application of Dust Suppressants	\$1,367,910.43
Plus HST	\$177,828.36
<b>Total Cost (with HST)</b>	<b>\$1,545,738.79</b>
Less 11.24% HST	(\$153,753.13)
<b>Total Recommended Costs</b>	<b>\$1,391,985.66</b>
<b>B) Recommended Funding</b>	
Public Works Dust Contracts	\$710,645.12
PW Dust Suppressant Reserve	\$173,716.58
Funded through 2023 Final Operations Variance	\$507,623.96
<b>Total Recommended Funding</b>	<b>\$1,391,985.66</b>

Under the existing service model, total costs for the 2022 year were \$772,855.42. In order to maintain this level of service, approximately \$1,367,910.43 would be required for 2023.

Since the effectiveness of dust suppressant is largely based on weather conditions and relative humidity, an alteration to the current level of service may be warranted. If conditions are not feasible to reduce the level of service for 2023, all additional costs will be varied to the approved 2023 Public Works Operational Budget. Increases to the annual budget will be brought forward to the next budget process.

Prepared by:

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Reviewed by:

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Edward Soldo, P.Eng., General Manager, Infrastructure and Engineering Services

Consulted and confirmed the content of the consultation section of the report by:

Jennifer Scherle, Manager, Purchasing and Accounts Payable

Attachment: none

c: Financial Analysts  
Purchasing Officer