

June 16, 2015

Report To: Mayor & Council

From: Doug Brown, Manager of Operations & Facilities

**SUBJECT: Awarding Tender 15-OF-05 – Supply of New Front End Loader  
& Tender 15-OF-11 - Supply of Loader Mounted Snowblower  
Attachment - Airport Operations**

As you are aware the approved 2015 capital budget included the purchase of one new front end loader and one new loader mounted snowblower attachment to be utilized at the Airport Facility.

The funding for these pieces of equipment is a 100% grant from Transport Canada under the Airports Capital Assistance Program (ACAP). The total budget for the new front end loader including the trade in of our 1994 Case Model 721B complete with standard bucket was set at \$216,427.35. The new loader mounted snowblower attachment including the trade-in of the existing 1994 – RPM Tech model LM220 was set at \$119,249.75. The total approved capital budget is \$335,677.10 for both pieces of equipment.

The tender documents and specifications were developed in accordance with Transport Canada requirements where the tender documents were approved by Transport Canada prior to advertising the tender call. In order to advertise nationally in accordance with the funding agreement with Transport Canada, the tender documents for both pieces of equipment were placed on the Merx website starting on May 7, 2015 with the tender closing on Tuesday, June 9th, 2015 at 2:00 p.m. Three tender packages for the loader and five tender packages for the snowblower were distributed from Merx to equipment suppliers and manufacturers.

In accordance with the Town's procurement policy, Administration has an obligation to point out to Council any tender irregularities. In regards to the tenders submitted for the front-end loader see attached spreadsheet No. 1 outlining the three tender submissions for the front end loader. The low tender bid submitted from Toromont (Cat) was in non-compliance with the tender specifications as a result this tender submission was rejected. See attached checklist and emails from Transport Canada confirming that the Cat 938K front end loader did not comply with the tender specifications and that the loader tender should be awarded to Hitrac.

In regards to the tenders submitted for the loader mounted snowblower attachment see attached spreadsheet No. 2 outlining the three tender

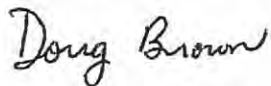
submissions for the snowblower attachment. The low tender bid submitted from Hiitrac (RPM Tech model LM220) was in non-compliance with the tender specifications as a result this tender submission was rejected. See attached checklist and emails from Transport Canada confirming that the RPM Tech LM220 loader mounted snowblower attachment did not comply with the tender specifications and that the snowblower tender should be awarded to J.A.Larue.

It should be clearly stated that there were no mathematical errors with any of the tender bids submitted.

Administration recommends the following;

- 1) That one front-end loader in compliance with the tender documents 15-OF-05 be awarded to Hitrac at a total cost of \$182,811.40 (all taxes included).
- 2) That one loader mounted snowblower attachment in compliance with the tender documents 15-OF-11 be awarded to J.A. Larue at a total cost of \$115,739.12 (all taxes included).

Respectfully Submitted  
Operations & Facilities Division



Doug Brown, P. Eng.  
Operations and Facilities Manager

**Council approval of this report will ensure the following;**

1. That one front-end loader in compliance with the tender documents 15-OF-05 be awarded to Hitrac at a total cost of \$182,811.40 (all taxes included).
2. That one loader mounted snowblower attachment in compliance with the Tender documents 15-OF-11 be awarded to J.A. Larue at a total cost of \$115,739.12 (all taxes included).

**June 9, 2015**

	1	2	3
Toromont			
Hitrac			
NorTrax			

Manufacturer	Cat	Case	John Deere
Model			
	938K	721F	624K

Net Cost to the Town	New Loader				
2014 Budgeted Amount		\$158,366.04	\$164,627.33	\$173,952.61	
Over/Under Budget By		\$216,427.35	\$216,427.35	\$216,427.35	
Difference from Low bidder		(\$58,061.31)	(\$51,800.02)	(\$42,474.74)	
		\$0.00	\$6,261.29	\$15,586.58	

### **Summary report for ACAP funded Front-End Loader**

I have reviewed the 3 tenders that were submitted. We find the following: NorTrax was the highest bid on the Loader. This unit does meet specifications. Hitrac (Case) was second low tender and this machine **does** meet all of the specifications. The low tender was Toromont Cat and this machine does **not** meet the specifications. The cost difference between the 2 lowest tenders is \$6,261.29 The justification for not going with the low tender is as follows:

Going through the Toromont specification package The Town finds the following:

**3.3.2.2 The Town Specifies for a minimum Horsepower rating of 175hp.** Toromont Cat 938K engine specification is listed at 173.5hp.

**3.3.5.6.2 Full Turn tipping load, The Town specifies for a minimum full turn tipping load of 23,000lbs.** Toromont Cat 938K has a tipping load of 20,997 in a full turn

I would make the recommendation that Hitrac be awarded the contract to provide the Fort Frances Municipal Airport with the loader based on the findings listed above.

Side Note: J A Larue has supplied several of their snowblower units to users who are operating a Caterpillar 938 series loader. The Larue D55 (if awarded) has a 12,600 lb full turn tipping weight. While the loader doesn't meet the specification in the document it does meet the tipping weight requirement for the Larue D55.

**Tender 15-OF-05 re Tender for Supply of One (1) New loader with quick attach bucket**

**Tenders (prices including taxes):**

<b>Toromont Cat, Thunder Bay</b>	Low Bid
2015 Caterpillar 938k	\$158,366.04
<b>Hitrac Inc, Winnipeg, MB</b>	Second Bid
2015 Case 721F	\$164,627.33
<b>Nortrax Thunder Bay</b>	High Bid
2015 John Deere 624K	\$173,952.61

Tender Specifications in question	Caterpillar 938k, Lowest Bid	John Deere 624K, HIGH BID	Case 721F, Middle Bid
1	3.3.2.2 engine hp IS 173HP ISO 14396, 175HP DIN? Minimum HP required is 175HP	meets spec 100%	Meets spec 100%
2	3.3.5.6.2 SAE full turn tipping load is <b>20,997</b> should be a minimum of 23,000lbs	meets spec 100%	Meets spec 100%





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Our file Notre référence  
**P 7161-0297-06 U**  
RDIMS Number Numéro de SGDI  
**10780711**

June 18, 2015

Mr. Tom Batiuk  
Airport Supervisor  
Fort Frances Airport  
320 Portage Avenue  
Fort Frances, ON P9A 3P9

Dear Mr. Batiuk:

**RE: TENDER AWARD CONCURRENCE  
AIRPORTS CAPITAL ASSISTANCE PROGRAM (ACAP)  
REPLACEMENT OF FRONT END LOADER**

This is in reference to the copy of the tender results provided on June 15, 2015, the tender analysis, and the award recommendation for this project.

We have reviewed the analysis and acknowledge that you intend to award to the lowest cost, technically qualified bidder, which would therefore meet the requirements (Article 6) of the contribution agreement. Please provide us with a copy of the award letter or purchase order. Note that the maximum tender award support is being calculated as follows:

2015 Case 721F (Hitrac Inc.)	\$ 187,500.00
Applicable HST	\$ 0.00
Sub-total	\$ 187,500.00
Less Salvage Value as determined in the	
Contribution Agreement	\$ (15,000.00)
Total ACAP Support	\$ 172,500.00

If you have any questions, please do not hesitate to contact Vera Haslett at 416-952-0504 or me at 416-952-0508.

Yours truly,

*for*  
Mary Louise Canning  
Regional Manager,  
Funded Programs and Administration

**Canada**

**Spreadsheet #2 - Tender No. 15-OF-11 - Results - Loader Mounted Snowblower Attachment  
for Airport  
June 9, 2015**

Equipment Description	1 Hitrac	2 J.A. Larue	3 NorTrax
Manufacturer	RPM Tech	J.A. Larue	Contant
Model	LM220	D55	C1016D
New Loader Mounted Snowblower Attachment			
Trade-in of 1994 -RPM Tech Model LM220 -Existing Loader			
Mounted Snowblower attachment			
Subtotal			
HST			
Total Price (includes all taxes)			
	\$107,066.00	\$107,424.00	\$149,395.00
	(\$9,000.00)	(\$5,000.00)	(\$5,000.00)
	\$98,066.00	\$102,424.00	\$144,395.00
	\$12,748.58	\$13,315.12	\$18,771.35
	\$110,814.58	\$115,739.12	\$163,166.35
<b>Net Cost to the Town New Snowblower Attachment</b>	<b>\$99,791.96</b>	<b>\$104,226.66</b>	<b>\$146,936.35</b>
2014 Budgeted Amount	\$119,249.75	\$119,249.75	\$119,249.75
Over/Under Budget By	(\$19,457.79)	(\$15,023.09)	\$27,686.60
Difference from Low bidder	\$0.00	\$4,434.70	\$47,144.39



### **Summary report for ACAP funded Snow Blower**

I have reviewed the 3 tenders that were submitted. We find the following: NorTrax was the highest bid on the loader-mounted snowblower. This unit does meet specifications however falls outside the funding amount in the original contribution document. J A Larue was second low tender and this machine **does** meet all of the specifications. The low tender was R P M Tech and this machine does **not** meet the specifications. The cost difference between the 2 lowest tenders is \$4434.70 The justification for not going with the low tender is as follows:

Going through the R P M Tech specification package we find the following:

**3.3.6.1 The Town specifies for a minimum Horsepower rating of 300hp.** RPM Tech specification is listed at 275hp.

**3.3.6.2 Driveline, The Town specifies for a minimum shaft size of spicer 1710.** RPM Tech specification is listed at Spicer 1550.

**3.3.6.4.1 The Town specifies for unit to have lighting in 4 specific locations.** RPM Tech does have lighting, however it is listed as an option and does not clearly state if its included on the tender specification.

**3.3.7.1.6 Operating Weight, The Town specifies for a combined weight of the unit to not exceed 10,000lbs.** RPM Tech weighs in at 10,500lbs.

**3.3.7.4 Augers The Town specifies for Ribbon Type or high efficiency dual augers.** RPM Tech specifies 2-20" augers on their unit. In order for it to be considered high efficiency the unit should be equipped with 26" augers for the dual auger type.

**3.3.7.5.2 Driveline, The Town specifies for a minimum shaft size of spicer 1710.** RPM Tech specification is listed at Spicer 1550.

**3.3.7.6.3 Impeller Casing, The Town specifies for an impeller casing to be constructed out of 500 brinell rated steel.** RPM Tech constructs their units out of CHT360 steel. CHT360 steel has a brinell rating of between 341-388.

I would make the recommendation that J A Larue be awarded the contract to provide the Fort Frances Municipal Airport with the snow blower based on the findings listed above.

**Tender 15-OF-11 re Tender for Supply of One (1) New loader mounted Snow Blower**

**Tenders (prices including taxes):**

<b>Hitrac. Winnipeg MB</b>	Low Bid
2015 RPM Tech LM220	\$99,791.96
<b>J.A. Larue Inc., Quebec, QC</b>	Second Bid
2015 Larue D55 Series	\$104,226.66
<b>Nortrax Thunder Bay</b>	High Bid
2015 Contant C1016D	\$146,936.35

Tender Specifications in question	RPM Tech LM220 Low Bid	Larue D55 Second Bid
1	3.3.6.1 Engine, Engine in the specification listing is 275hp. The minimum spec is 300hp. <b>Does not meet minimum specifications.</b>	meets spec 100%
2	3.3.6.2 Driveline, Drive shafts are 1550 series to a chain driven gear box. These shafts are below the 1710 specification. <b>Does not meet minimum specifications.</b>	3.3.7.5.2 Driveline, Larue uses the same shafts. They go into a planetary gearbox that takes the torque away from the shafts and divides it into the gearbox and drive system for the augers. This design is much stronger and provides better torque values by taking a 2300rpm engine rating and running it up to 3000rpm on the auger system. This is therefore considered to be equivalent.
3	3.3.6.4.1 Electrical System, Unit must have 4 lights located on unit. 2 on chute, 2 on the front of the machine to be able to be controlled from inside by operator. This is listed as an option. <b>Does not meet minimum specifications.</b>	meets spec 100%
4	3.3.7.1.6 Weight, weight of the unit with full fuel and coupler is 10,500lbs and exceeds the specification laid out in the document. <b>Does not meet minimum specifications.</b>	
5	3.3.7.4 Augers, Specification requires high efficiency dual augers. The 2-20" augers are not considered to be high efficiency. To be high efficiency 26" augers are needed. <b>Does not meet minimum specifications.</b>	meets spec 100%
5	3.3.7.5.2 Driveline, drive shafts are 1550 series and below the specification of the 1710 series shafts. <b>Does not meet minimum specifications.</b>	meets spec 100%
6	3.3.7.6.3 impeller casing, this is specified as being constructed with CHT360 steel. This steel has a brinell hardness range of 341-388 BHN. This is below the Minimum specification of 500 Brinell. <b>Does not meet minimum specifications.</b>	meets spec 100%



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Toronto ON M2N6A5

Our file Notre référence

P 7161-0297-05 U

RDIMS Number Numéro de SGDDI

10780711

June 18, 2015

Mr. Tom Batiuk  
Airport Supervisor  
Fort Frances Airport  
320 Portage Avenue  
Fort Frances, ON P9A 3P9

Dear Mr. Batiuk:

**RE: TENDER AWARD CONCURRENCE  
AIRPORTS CAPITAL ASSISTANCE PROGRAM (ACAP)  
REPLACEMENT OF LOADER MOUNTED SNOW BLOWER**

This is in reference to the copy of the tender results provided on June 15, 2015, the tender analysis, and the award recommendation for this project.

We have reviewed the analysis and acknowledge that you intend to award to the lowest cost, technically qualified bidder, which would therefore meet the requirements (Article 6) of the contribution agreement. Please provide us with a copy of the award letter or purchase order. Note that the maximum tender award support is being calculated as follows:

2015 Larue D55 Series (J.A. Larue Inc.)	\$ 107,424.00
Applicable HST	\$ 0.00
Sub-total	\$ 107,226.66

Less Salvage Value as determined in the Contribution Agreement	\$ (10,000.00)
Total ACAP Support	\$ 97,226.66

If you have any questions, please do not hesitate to contact Vera Haslett at 416-952-0504 or me at 416-952-0484.

Yours truly,

Mary Louise Canning  
Regional Manager,  
Funded Programs and Administration

for

Canada