



P.O. Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Item No. 15.1.3
Halifax Regional Council
August 5, 2025

TO: Mayor Fillmore and Members of Halifax Regional Council

FROM: Cathie O'Toole, Chief Administrative Officer

DATE: June 25, 2025

SUBJECT: **Award - Request for Proposal 2025-0230 – Winter Maintenance of Streets and Sidewalks WSZ2 – Sackville, Beaver Bank, Fall River, Windsor Junction, and Surrounding Areas**

ORIGIN

This report relates to the service delivery of snow and ice control for streets, sidewalks, walkways, and trails within the Halifax Regional Municipality

EXECUTIVE SUMMARY

This report recommends award of RFP 2025-0230 – Winter Maintenance of Streets and Sidewalks for Winter Service Zone 2 (WSZ2), which includes the communities of Sackville, Beaver Bank, Fall River, Windsor Junction, and Surrounding Areas. The contract term is for four years, with the ability for HRM to exercise four additional one-year terms. The total award value is \$33,390,448.72 with a potential estimated total value of \$67,732,716.08. This RFP is subject to the Living Wage requirements. Work is underway per the Audit of Winter Operations to initiate tighter oversight of Winter Maintenance activities including those within this contract.

RECOMMENDATION

It is recommended that Halifax Regional Council Award:

1. RFP 2025-0230, Winter Maintenance of Streets and Sidewalks WSZ2 – Sackville, Beaver Bank, Fall River, Windsor Junction, and Surrounding Areas, to Dexter Construction Company Ltd for a value of \$33,390,448.72 (net HST included) for four (4) years, with a potential estimated total value of \$67,732,716.08 with funding from Operating Cost Centre R885 (PB Contracts Street & Sidewalks), as outlined in the Financial Implications section of this report and, delegate authority to the Executive Director of Public Works to exercise any contractually defined options, including option years.

BACKGROUND

In the summer of 2025, the existing winter maintenance contract WSZ2, which includes the geographic areas of Sackville, Beaver Bank, Fall River, Windsor Junction, and Surrounding Areas, will expire. This geographic area will require winter maintenance for the upcoming 2025/2026 winter season to satisfy the approved Winter Operations Service Standards.

DISCUSSION

The concept of the combined street and sidewalk contract; where one contractor is responsible for both the sidewalks and streets, was first implemented within HRM in this Winter Maintenance Zone – WSZ2 in 2017, and then additionally in the Bedford area (WSZ3) in 2019 and both Cole Harbour/Eastern Passage (WSZ1) and Spryfield/Tantallon areas (WSZ4) in 2022. One of the key advantages of this approach is the increased coordination between street and sidewalk operations, which reduces the frequency of street snow being deposited onto previously cleared sidewalks.

Request for Proposal 2025-0230 Winter Maintenance of Streets and Sidewalks WSZ2 – Sackville, Beaver Bank, Fall River, Windsor Junction, and Surrounding Areas was publicly advertised on the Province of Nova Scotia’s Procurement website and HRM’s Bids and Tenders website, and closed on May 27, 2025.

Proposals were received from the following companies:

- Dexter Construction Company Ltd.
- Ocean Contractors Ltd.

A team consisting of three staff members from Infrastructure Maintenance & Operations and facilitated by Procurement, evaluated the proposals based on the criteria listed in the RFP. The RFP was scored using a two-envelope process. Envelope one covered the technical component (e.g., Communication Skills, Team Composition and Experience, Understanding of HRM’s Needs, Quality Assurance, Communication and Social Value), and envelope two included the financial component of the RFP. As stated in the RFP, only those proponents that receive 75 percent or greater on the technical component may proceed to have their envelope two (financial) opened and evaluated.

Based on the evaluations, Dexter Construction Company Ltd. received the highest score among the proponents for 2025-0230.

RFP 2025-0230 - Winter Maintenance of Streets and Sidewalks WSZ2 – Recommended Proposal	
Total 4 Years including net HST	\$32,675,489.34
Additional Work (no guaranteed spend)	\$714,959.38
TOTAL	\$33,390,448.72

In addition to a fixed rate cost for streets, sidewalks, walkways and trails snow & ice control, bidders were required to provide various per kilometre rates for additional work over and above the contract deliverables. Evaluation was based on the sum of the four-year fixed rate, plus an estimated cost based on the various per-kilometre additional work. The amount quoted for additional work would only be spent if new streets and/or sidewalks were constructed and added to the current inventory. The additional work detailed above will be awarded via standing offer.

The above-referenced Proposal is for a four (4) year term, for years 2025/26, 2026/27, 2027/28, 2028/29 with four (4) one-year options that may be exercised at the sole discretion of HRM, if the following criteria are met.

- a. If there is a continued need for the services performed under this contract.
- b. There are sufficient funds budgeted and available to exercise the option.
- c. The department making the request wishes to exercise the option.
- d. The contractor’s performance has been satisfactory.
- e. The contract includes options to support this request.

FINANCIAL IMPLICATIONS

The RFP contract price is a four (4) year term for years 2025/26 through 2028/29, with four (4) one-year options (at HRM’s sole discretion).

The total year-one fixed bid price of \$7,810,046 (net HST included) will be recorded in R885-6399. The bid price exceeds the amount budgeted in the approved 2025-26 Public Works operating budget, resulting in a shortfall of approximately \$612,100.

Public Works budgeted a 30% increase for this contract; based on the most recent contract pricing available, from 2022. However, the actual impact for the 25-26 fiscal year is an increase of approximately 41%.

The increase in contract cost is in part due to the following:

- This work was last tendered in the spring of 2017 with fixed contract costs for the first four years, while the last four years were adjusted by CPI.

CPI Annual Adjustment	2021/22	3.5%	2022/23	7.3%	2023/24	4.8%	2024/25	0.9%
Contract Increase	\$	129,628.71	\$	279,831.35	\$	197,430.60	\$	38,795.11

- The CPI adjustments for that period do not reflect the actual increase in construction/maintenance costs that Municipality has experienced in other procurements.
- In 2017 living wage was not a contract requirement. The Living Wage Policy came into effect on April 1, 2021.
- Living wage hourly rate has increased \$9.30 since 2017. (49% increase)
- Significant equipment cost increases
- Increases to inventory (new streets, sidewalks, etc, approx. \$617,000).

Currently, Public Works expects to have a surplus revenue of approximately \$400,000, which will be used to fund this shortfall. There is a risk associated with this funding source due to it being unrealized at this time and therefore, contingency funds in Fiscal Services will cover the remaining shortfall or approximately \$200,000 as well as any unrealized forecasted revenue.

Fiscal Year	Contract Cost* (includes net HST)	Average Tax Bill Impact
2025-26	\$ 7,411,848	-
2026-27**	\$ 8,005,000	\$ 2.79
2027-28	\$ 8,244,895	\$ 0.84
2028-29	\$ 8,492,744	\$ 0.87

*Contract cost in this table is by fiscal year, as opposed to contract year/winter season.

** Average tax bill impact for 2026-27 includes additional \$200K to account for the expected shortfall funded through contingency in 2025-26

Funding for years two (2) to four (4) will be accommodated through future approved operating budgets. Option years five (5) through eight (8) may be exercised and will be dependent on both performance and budget availability.

RISK CONSIDERATION

If Regional Council chooses not to award RFP 2025-0230, the Sackville, Beaver Bank, Fall River, Windsor Junction, and Surrounding Areas would receive severely impacted winter snow and ice services for the 2025/26 winter season, due to the time restrictions involved in securing winter equipment and resources.

ENVIRONMENTAL IMPLICATIONS

No environmental implications were identified.

SOCIAL VALUE

Social value proposals were evaluated based on the criteria outlined in the RFP. Proposals included a description of the proponent's track record and commitment to supporting the social, environmental, and economic well-being of Halifax and identified the social value that will be delivered through the Project.

This RFP is subject to all requirements of the Supplier Code of Conduct including Living Wage requirements.

ALTERNATIVES

Regional Council could choose not to award this RFP and have the service provided by HRM in-house operations and/or hourly based contractors. Hourly based contracts do not have the security of a known fixed cost regardless of weather conditions. Due to the specialized equipment required to provide such winter services, securing such equipment and qualified operators would present significant operational and financial challenges.

LEGISLATIVE AUTHORITY

Halifax Regional Municipality Charter, S.N.S. 2008, c. 39 as amended

79A (1) Subject to subsections (2) to (4), the Municipality may only spend money for municipal purposes if

- (a) the expenditure is included in the Municipality's operating budget or capital budget or is otherwise authorized by the Municipality;
- (b) the expenditure is in respect of an emergency under the Emergency Management Act; or
- (c) the expenditure is legally required to be paid.

Administrative Order 2022-012-ADM, The Procurement Policy

Section 28(1) of the Procurement Policy provides that Regional Council may approve contract awards of any amount. Section 28(2)(a) further specifies that a contract award must be forwarded to Council for approval if:

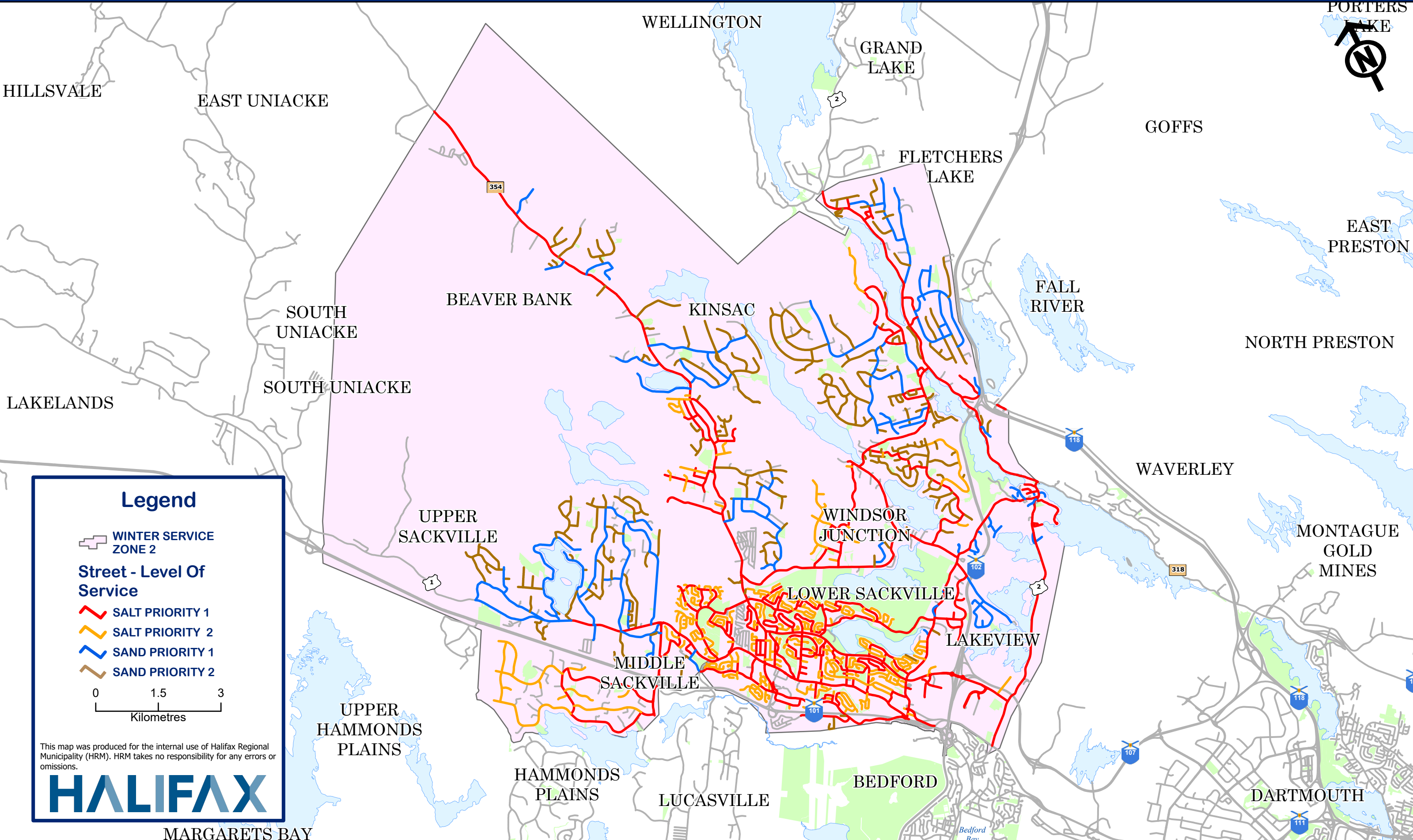
- (i) the award commits the Municipality to making capital expenditures in a future fiscal year and exceeds the amounts allocated for the project in Council's multi-year capital plan;
- (ii) the award commits the Municipality to making operating expenditures in a future fiscal year and exceeds either \$5,000,000, or a term of 5 years;
- (iii) there is legislative requirement for Council to approve the award; or
- (iv) the CAO is of the opinion that the award is a matter best dealt with by Council.

ATTACHMENT

Attachment A – Map of contract area WSZ2.

Report Prepared by: Steven York, Manager Contract Operations & Winter Services, IMO, 902.880.0948

WINTER SERVICE ZONE 2 - WSZ2



Legend

- WINTER SERVICE ZONE 2
- Street - Level Of Service**
- SALT PRIORITY 1
- SALT PRIORITY 2
- SAND PRIORITY 1
- SAND PRIORITY 2

0 1.5 3
Kilometres

This map was produced for the internal use of Halifax Regional Municipality (HRM). HRM takes no responsibility for any errors or omissions.

HALIFAX

MARGARETS BAY