

Memorandum



To: Dale Berman, Village President & Board of Trustees
Cc: Steven Bosco, Village Administrator
From: John Laskowski, Public Works Director
Date: November 6, 2017
Re: Proposals for Snow and Ice Removal

At the October 16, 2017 Committee of the Whole meeting the Board considered the proposals of Langton Group and Tri-County Excavating for Snow and Ice Removal Services. Staff prepared simulations of snow storms to compare the overall cost of snow and ice removal services presented by both companies using the hourly rates submitted. The total cost difference between the firms is estimated to be approximately \$4,000 per year.

Langton Group had the lower price, however company headquarters were located approximately an hour or more away. This created concern about their response time. Additionally one reference that was checked did not indicate complete confidence in their ability to provide the requested services. Tri-County Excavating has proven to provide excellent service to the Village in the past and have not had a problem meeting the required response time or providing additional equipment in large storms.

After considering this information the board arrived at a consensus to support a recommendation by staff to award the contract to Tri-County Excavating. The board recognized that snow and ice removal services are a critical service provided to the community and did not want to risk interrupting emergency response or jeopardize public safety during snowstorms. Staff is recommending the award of the three year contract with the option to terminate within 30 days by either party to Tri-County Excavating.

The contract for Snow and Ice Removal services ends on December 1, 2017. In order to continue to guarantee service, a new contract must be in place prior to this date.

Staff developed a proposal for snow and ice removal services and advertised it in the local newspaper, on the Village website, and contacted firms that provide these

services. Four firms attended the mandatory informational meeting held to answer questions prior to the submission deadline. Two of the firms who attended supplied proposals, Langton Group and Tri-County Excavating.

This proposal is for a three year contract with the option of either party to terminate with a written notice of 30 days. The firm was asked to provide costs for each of the three contract years for the vehicles and equipment requested by the Village. Table 1 on the following page illustrate the prices offered by each firm. Tri-County provided unit costs that increase each year by 3%. Langton Group provided unit costs that remain the same the first two years and increase in the third year by a percentage that varies by equipment.

Table 1. Hourly Rates

Tri County Excavating

		Winter 2017- 2018 Rate [\$ / Hr]	Winter 2018- 2019 Rate [\$ / Hr]	Winter 2019- 2020 Rate [\$ / Hr]
Vehicles				
1	6-Wheeler with an 11-12 ft. Plow & Salter	150	155	160
2	6-Wheeler with an 11-12 ft. Plow & Salter with a Wing Plow	170	175	180
3	6-Wheeler Haul Off (if necessary)	90	93	96
4	5-Yard Truck 11 ft. Plow & Salter	140	144	148
5	5-Yard Truck 11 ft. Plow & Salter with a wing plow	160	165	170
6	1-Ton Truck 9-10 ft. Plow & Salter	125	129	133
7	Pick-up Truck 8.5 ft. Plow	115	118	122
8	Skid Steer with Bucket	120	124	128
9	Skid Steer with Plow	120	124	128
10	Wheel Loader with Bucket	200	206	212
11	Wheel Loader with Plow	220	227	234
Equipment				
1	Snow Blowers	105	108	111
2	4 Wheeler with Plows	125	129	133

Table 1. Hourly Rates continued

Langton Group

		Winter 2017- 2018 Rate [\$ / Hr]	Winter 2018- 2019 Rate [\$ / Hr]	Winter 2019- 2020 Rate [\$ / Hr]
Vehicles				
1	6-Wheeler with an 11-12 ft. Plow & Salter	125	125	130
2	6-Wheeler with an 11-12 ft. Plow & Salter with a Wing Plow	175	175	180
3	6-Wheeler Haul Off (if necessary)	125	125	130
4	5-Yard Truck 11 ft. Plow & Salter	120	120	125
5	5-Yard Truck 11 ft. Plow & Salter with a wing plow			
6	1-Ton Truck 9-10 ft. Plow & Salter	110	110	115
7	Pick-up Truck 8.5 ft. Plow	110	110	115
8	Skid Steer with Bucket	110	110	115
9	Skid Steer with Plow	110	110	115
10	Wheel Loader with Bucket	175	175	175
11	Wheel Loader with Plow	175	175	175
Equipment				
1	Snow Blowers	90	90	90
2	4 Wheeler with Plows	100	100	100

The table below illustrates the difference in prices offered by the two firms. The first three columns are the difference between the two prices in dollars per hour. The second three columns show the difference in percentage. The figures shown in bold with an "L" next to them indicate that Langton Group provided a higher unit price. Otherwise Tri-County has the higher prices.

An example on how to read the below table would be to look at the **Vehicles**, row 1, "6-Wheeler with an 11-12 ft. plow & salter". In the first winter season of 2017-2018 there is a \$25/hr difference. This indicates a 20% higher price. If we look at under **Vehicles**, row 3 for the "6-Wheeler Haul Off (if necessary)" under Winter 2017-2018 we see that the Langton Group is \$35/hr which is 39% higher than Tri-County.

Table 2. Hourly Rate Comparison

Vehicles		Winter 2017- 2018 Rate [\$ / Hr]	Winter 2018- 2019 Rate [\$ / Hr]	Winter 2019- 2020 Rate [\$ / Hr]	Winter 2017- 2018 Rate [%]	Winter 2018- 2019 Rate [%]	Winter 2019- 2020 Rate [%]
		1	6-Wheeler with an 11-12 ft. Plow & Salter	25	30	30	20%
2	6-Wheeler with an 11-12 ft. Plow & Salter with a Wing Plow	5 L	0	0	3% L	0%	0%
3	6-Wheeler Haul Off (if necessary)	35 L	32 L	34 L	39% L	34% L	35% L
4	5-Yard Truck 11 ft. Plow & Salter	20	24	23	17%	20%	18%
5	5-Yard Truck 11 ft. Plow & Salter with a wing plow	N/A	N/A	N/A	N/A	N/A	N/A
6	1-Ton Truck 9-10 ft. Plow & Salter	15	19	18	14%	17%	16%
7	Pick-up Truck 8.5 ft. Plow	5	8	7	5%	7%	6%
8	Skid Steer with Bucket	10	14	13	9%	13%	11%
9	Skid Steer with Plow	10	14	13	9%	13%	11%
10	Wheel Loader with Bucket	25	31	37	14%	18%	21%
11	Wheel Loader with Plow	45	52	59	26%	30%	34%
Equipment		[\$ / Hr]	[\$ / Hr]	[\$ / Hr]	[%]	[%]	[%]
1	Snow Blowers	15	18	21	17%	20%	23%
2	4 Wheeler with Plows	25	29	33	25%	29%	33%

The above table provides information that compares the prices of the two companies. At this point the observation can be made that the unit prices offered by Tri-County are generally higher than those supplied by Langton Group. However it does not necessarily mean that the overall cost of snow and ice removal is higher. The results of the simulation are summarized in the Table 3 below. This simulation demonstrates that for the 2015-2016 winter snow season the Langton Group provides lower rates by \$5,162.50 and in the 2016-2017 winter snow season the cost is lower by \$3,775.00.

Table 3. Simulation Results

Firm Name	Total Cost 2015-2016 Snow Season	Total Cost 2016-2017 Snow Season
Tri-County Excavation & Construction	\$81,000.00	\$66,492.50
Langton Group	\$75,837.50	\$62,717.50
Difference	\$5,162.50	\$3,775.00

While the cost analysis is useful to provide the a quantitative look at each firm the reason that the Village requested proposals was because there are other factors that must be considered besides prices.

These criteria include: references, equipment, response time, subcontractors, flexibility to respond to varying snowfall events, and hourly rates. Below is a summary of the staff evaluation of each firm with respect to the criteria.

References

Tri-County has worked for the past 12 years providing snow and ice removal services for the Village of North Aurora. To evaluate Tri-County's references staff is choosing to utilize its experience with the firm. Staff believes that Tri-County has performed effectively in the past because they have become familiar with the routes that the Village has assigned to them. They understand the subdivision layouts and know the locations to pile snow in cul-de-sacs. They are reliable and have never had a problem arriving on time. They are conscientious and communicate well with staff. If issues arises where a mailbox is struck, staff has been contacted quickly to address the problem. During long snow storms Tri-County has been able to work independently with little supervision while Village employees are taking mandated rest period.

Langton Group has provided references from other clients including Village of Glenview. Langton currently provides service for town center area, business district parking lots, and municipal facilities including parking lots and sidewalks. The reference shared that they have limited experience plowing actual routes and were excluded from this past contract which would have provided services for this coming snow season. Google Maps indicates that Glenview is approximately one hour and twenty five minutes from Woodstock, the location of Langton Groups yard. The reference indicated they had an hour and half response time. Initially there were issues providing service within that time frame. At times drivers were deployed at the direction of Langton Group instead of the Public Works Department in order to anticipate storm events. Under the North Aurora contract if the contractor chose to do this, he would not be compensated for this time. During the longer duration storms they experienced difficulty providing the desired level of service. The point of contact was not necessarily clearly defined leading to communication issues. The reference was hesitant to say that they would be able to provide the service we are seeking.

The Village of Oswego was contacted to get additional references but has not responded at this time.

Equipment

Both firms provided vehicle and equipment inventories. Staff has determined that both firms have the ability to provide the necessary equipment to the Village to effectively complete the snow and ice removal operations. Prior to the award of the contract Village staff will visit the selected company's firm to evaluate its fleet.

Response Time

The response time required by this proposal is one hour.

Tri-County is located in Aurora, their response time is as low as 15 minutes.

Langton Group is located in Woodstock, IL. The driving time from Woodstock to the Village of North Aurora is just over one hour according to Google Maps. Langton Group indicates they have a meteorological service in place that contacts their managers two hours in advance of a storm. This provides adequate lead time to their drivers to begin deploying services. In addition drivers that live near North Aurora would be directed to take their vehicles home with them to shorten the response time. Langton Group indicated that they hold other accounts with commercial entities in and around the Fox Valley area and would be able to pull these individuals off to meet the service needs of North Aurora.

Subcontractors

The Village was interested in knowing if each firm would use subcontractors because we were concerned it could impact response time or impact the ability of staff to manage the contractors.

Tri-County has listed four firms they will use to support their operations in large snow events. They have provided the equipment owned by these companies as well.

Langton Group has not listed any subcontractors.

Flexibility

This criteria was included to determine if the selected contractor had the ability to provide snow and ice removal services under all size of snow storms. Based on the equipment lists it appears that both firms possess the necessary equipment to perform the work. Tri-County has been observed to perform well in a variety snow events. Glenview indicated that Langton Group had difficulty at times responding to very large storm events.

Hourly Rates (Cost of Operation)

The storm event simulation performed above indicated that the cost difference for service for the winter 2015-2016 was \$5,162.00 (6%) and for 2016-2017 snow season was \$3,775.00 (6%).

In consideration of the evaluation of the proposals against the defined criteria, two observations can be made. The first is simply that Langton Group can provide the snow removal services at a lower cost. The second is more qualitative in nature and relies on the references provided by Langton Group. The references indicated that Langton Group had not performed snow removal services on actual snow routes, rather parking lots and sidewalks. The reference indicated he was concerned with their ability to provide route service and did not award a contract as a result of this concern.

Overall staff believes that snow and ice removal is a critical service for the Village of North Aurora. This service maintains access to the road network for residents, business owners, visitors and emergency services. At this point the staff believes the minimal difference in simulated cost is outweighed by reliable snow and ice removal service provision. Staff is seeking to have a conversation with the Village Board to understand its view on cost and service provision of snow and ice removal services.