



The Corporation of the Township of Huron-Kinloss

Staff Report

Report Title: Dust Control RFQ 2025

Date: Apr. 7, 2025

Report Number: PW-2025-13

Department: Public Works

File Number: C11 PW 25

Prepared By: John Yungblut, Director of Public Works

Attachments: None

Recommendation:

THAT the Township of Huron-Kinloss Committee of the Whole hereby receives for Report PW-2025-13 prepared by John Yungblut, Director of Public Works;

AND FURTHER accept the quotation from 552976 Ontario Limited – Holland Transport in the amount of \$153,450 plus HST to supply, haul and apply 35% calcium chloride dust suppressant on Township gravel roads in 2025;

AND FURTHER that the appropriate by-law come forward.

Background:

Da-Lee Dust Control has been the main supplier of 35% calcium chloride to the Township for many years and we have generally received reliable service over those years.

In 2020 and 2021, we did experiment with using 35% calcium chloride from Da-Lee on roughly half our roads and a natural brine product from Holland Transport on the other roads. The brine product was a weaker concentration that had a variety of elements other than just calcium chloride, such as magnesium chloride and sodium chloride. The reason for this experiment was to mitigate the significant cost increase of 35% calcium in 2020 and 2021.

The trial was successful, however, Holland Transport was unable to supply a dust control product in 2022, so we returned to purchasing our dust control product from Da-Lee exclusively from 2022-2024.

In late February, Township staff were informed by Holland Transportation that they are now able to supply 35% calcium chloride, so we requested bids from three suppliers that have submitted bids for dust control in previous years. We received two bids for 35% calcium chloride.

The follow bids were received based on an estimated volume of 495,000 litres of 35% calcium chloride:

Bidder	Price (per litre, not incl. HST)	Estimated Total Amount (not incl. HST)
Da-Lee Dust Control Ltd.	\$0.3520	\$174,240
Holland Transport	\$0.310	\$153,450
Pollard Distribution Inc.	\$0.385	\$190,575

Da-Lee Dust Control is based in Goderich, however, they hire a local trucking company to deliver the product and apply it on our roads.

Holland Transport is based in Vanastra and they use their own trucks to deliver and apply the product.

Discussion/Analysis/Overview:

Section 5.0 of the Township Purchasing and Procurement Policy states that any purchase over \$100,000 should be purchased through a formal tendering process in open competition.

In this case, Township staff elected to request bids through an informal invitational procurement process which is significantly more efficient than formal tendering. Very few contractors in our area are able to provide dust control product at the volume we require, and it is relatively simple to compare quotes. By utilizing this process, Township staff also believe we have some flexibility in which contractor we choose to purchase our product from.

While Holland Transportation has never supplied 35% calcium chloride before, they are very familiar with supplying dust control product and we will be going through our due diligence process to ensure the product we are purchasing is satisfactory. Holland Transport was also extremely accommodating in 2020 and 2021 and was able to promptly deliver the product when we requested it.

Da-Lee has generally provided good service to us over the years, however, we did have some issues with having the product delivered when we needed it in 2023. They made some changes with their dispatch in 2024 and the service improved considerably.

Township staff recommend that Council considers three options for the procurement of dust control product:

Option 1 – Award the full contract to Holland Transport

This option is most consistent with the intent of our Purchasing and Procurement Policy and is therefore, most justifiable in the option of Township staff. Although

they have never supplied this product in the past, we have no reason to believe they will not be able to provide a quality dust control product. They have also informed Township staff that they will dedicate one of their trucks to our roads if they are successful.

Option 2 – Award the full contract to Da-Lee Dust Control

Township staff believe that there is justification for awarding the contract to Da-Lee despite being the second lowest bidder. They have a long track record of manufacturing and supplying 35% calcium chloride and they are planning to hire a trucking company that is based in the Township. Da-Lee has also been willing to make changes to provide better service when we have had issues with scheduling.

Option 3 – Award 50% of the contract to Holland and 50% to Da-Lee

This would be a compromise between the first two options, however, this is not recommended by Township staff. A hybrid approach would add unnecessary complication to the scheduling process and we have found some challenges in having the product delivered promptly when the amount of product we purchase from a supplier has been reduced.

Financial Impacts:

The 2025 Operating Budget has allocated \$190,000 for the purchase of dust control product.

Performance Measurement:

We don't currently have a process in place to track the performance of gravel roads.

Strategic Area:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Embrace a thriving rural lifestyle | <input checked="" type="checkbox"/> Enhance Municipal Service Delivery |
| <input type="checkbox"/> Prepare for Inclusive Growth | <input checked="" type="checkbox"/> Ensure Financial Stability |

Strategic Goal: Manage assets and infrastructure

Respectfully Submitted By:

John Yungblut, Director of Public Works

Report Approved By:

Jodi MacArthur, Chief Administrative Officer