



SUBJECT: Winter Road Maintenance

TO: Mayor and Members of Council

FROM: Roads, Parks and Forestry Department

Report Number: RPF-10-20

Wards Affected: All

File Numbers: 820-01

Date to Committee: N/A

Date to Council: April 20, 2020

Recommendation:

Award contract RFT-307-20 Winter Road Maintenance to PAVE-TAR CONSTRUCTION LTD, 419 Attwell Drive, Etobicoke, ON M9W 5C4, for \$2,171,295.00 including HST; and

Authorize the Manager of Procurement Services to issue a purchase order, and/or sign any associated agreements subject to the satisfaction of the Executive Director of Legal Services, with the bidder named above; and

Authorize the Manager of Procurement Services to extend the contract for the term of the agreement subject to the conditions of the contract.

PURPOSE:

Vision to Focus Alignment:

This report outlines the options to consider in following the Vision to Focus plan and the City's declared climate emergency:

- Focus Area 2: Improving Integrated City Mobility

Background and Discussion:

On February 4, 2020, the City issued RFT-307-20. Thirteen bids were received, however the bidder who submitted the lowest compliant bid decided to withdraw their bid, forfeiting their \$10,000 bid security.

Under normal circumstances, contracts with a value of less than \$5,000,000 can be awarded by a DA Award Report. However, because the lowest compliant bidder withdrew their bid, we must award to the next lowest compliant bidder, and therefore, in

accordance with Procurement By-law 24.4.2, a council report is required in order to proceed with an award.

Strategy/process

Procurement Process:

Advertised / Issue Date: February 4, 2020
 Advertised Methods(s): Bid & Tenders
 Closing Date: March 4, 2020
 Number of Bids Received: 13
 Total Number of Compliant bids: 13

Bid Results:

No.	Name of Company	Total Bid including HST
1	Pacific Paving Ltd	Bid withdrawn
2	PAVE-TAR CONSTRUCTION LTD.	\$2,171,295.00
3	A & G The Road Cleaners Ltd.	\$2,258,685.13
4	Ashland Paving Ltd.	\$2,259,712.98
5	Melrose Paving Co. Ltd.	\$2,633,440.99
6	ROA INC.	\$2,894,834.57
7	Steed and Evans Limited	\$3,034,280.52
8	Rafat General Contractor Inc.	\$3,043,372.50
9	MSO Construction, a division of Miller Paving Limited	\$3,119,986.50
10	Gazzola Paving Limited	\$3,250,026.90
11	Ferrovial Services Canada Ltd	\$3,901,788.30
12	Emcon Services Inc.	\$4,259,250.17
13	CSL Group Ltd	\$4,450,392.00

Procurement By-law 19-2014 - excerpt

24.4 Procurement from \$100, 000 up to but not including \$5,000,000

A delegated authority report is required and must meet the following criteria:

- A competitive Bid process has been utilized
- Recommended Bidder is the lowest Compliant Bidder (s) meeting specifications in the case of a Tender or the highest scoring Proponent(s) in the case of a Proposal
- **Budget approval exists for the Procurement**
- Manager of Procurement Services, Director of Finance, and the respective General Manager or City Manager has provided written approval

24.4.2 If one or more of the criteria in 24.4 is not met, a report to Council will need to be written to seek process approval.

Financial Matters:

There will be a requirement for a 2021 budget increase, which will be addressed as part of the 2021 budget process.

Term of Contract

Initial Term: Six (6) year period – May 1, 2020 to April 30, 2026

Prices shall be held firm for the first Winter Season. After the first Winter Season, the unit prices as Bid by the Contractor may be adjusted annually in accordance with the average annual rate of change in Consumer Price Index (CPI), for all items, Ontario using the month of May as the adjustment month. Any adjustments shall have a maximum ceiling of 5% in any given year.

Extensions: The City reserves the right to renew this Contract for the following two (2) additional two (2) year periods:

- May 1, 2026 to April 30, 2028
- May 1, 2028 to April 30, 2030

Total Financial Impact

The total cost of \$1,955,318.40 (Net HST) to be distributed to Operating Budget accounts outlined below.

Source of Funding

Funding for this contract is provided in the Operating Budget:

Account number 552601 33500 -Primary Roads

Account number 552602 33500 -Local Roads

Account number 552630 33500 -Dundas Road

Other Resource Impacts

Not Applicable

Climate Implications

With this contracted service and expected efficiencies in our operations, it is anticipated that under normal winter conditions we will be able to reduce our salt consumption.

Engagement Matters:

Not applicable.

Conclusion:

In accordance with the Procurement By-law 19-2014; because one of the criteria in 24.4 was not met, we are seeking process approval from Council in order to proceed with an award to Pave-Tar Construction.

Respectfully submitted,

Mark Adam

Manager of Road Operations

905-333-6166 ext. 6160

Report Approval:

All reports are reviewed and/or approved by Department Director, the Chief Financial Officer and the Executive Director of Legal Services & Corporation Council. Final approval is by the City Manager.