



Report to: General Committee

Meeting Date: January 31, 2022

SUBJECT: Contract Extension for Winter Maintenance Contracts
PREPARED BY: Melita Lee, Senior Buyer, Ext. 2239
Barry Budhu, Sr. Manager, Roads, Survey & Utility, ext 2748

RECOMMENDATION:

- 1) That the report entitled “Contract Extension for Winter Maintenance Contracts” be received; and,
- 2) That the following Winter Maintenance Contracts be extended for an additional two (2) winter seasons with a CPI increase over 2021/2022 rates:
 - Contract # 202-T-12 - Supply of Tractors, Graders, Loaders for winter maintenance (November 16, 2022 – March 31, 2024) to the following four (4) vendors:
 1. Defina Haulage Ltd. (7 tractors, 2 windrows)
 2. Donaldson Custom Farming Inc. (13 tractors, 4 windrows)
 3. VBN Paving Limited (5 graders, 4 windrows)
 4. Griffith Property Services Ltd (12 tractors, 7 graders, 12 windrows)in the estimated value of \$2,012,922 inclusive of HST in year 1 and \$2,033,427 inclusive of HST in year 2, for a total estimated value of \$4,046,349 inclusive of HST over the two year extension period excluding growth adjustments
 - Contract # 128-T-03 - Loaders for winter maintenance (December 1, 2022 – March 31, 2024) to the following two (2) vendors;
 1. Griffith Property Services Ltd. (21 loaders)
 2. Wilson Contracting Ltd (13 loaders)in the estimated value of \$1,136,128 inclusive of HST in year 1 and \$1,152,732 inclusive of HST in year 2, for a total estimated value of \$2,288,860 inclusive of HST over the two year extension period; and,
- 3) That Contract # 095-T-08 - Tandem/Single Axle Combination Plows for winter maintenance be extended for an additional one (1) winter season (November 16, 2023 – March 31, 2024) with a CPI increase to D. Crupi & Sons for 24 units in the estimated value of \$2,282,735 inclusive of HST and excluding any growth adjustments; and,
- 4) That the tendering process be waived for recommendations 2 and 3 in accordance with Procurement By-Law 2017-8, Part II, Section 11. Non-Competitive Procurement, items 11.1 (c) and (g), which state:
 - (c) when the extension of an existing Contract would prove more cost-effective or beneficial; and
 - (g) Where it is in the City’s best interest not to solicit a competitive bid; and,

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- 5) That the 2023-2024 operating budgets and purchase orders for Contracts 202-T-12, 128-T-03 and 095-T-08 be adjusted with a price escalation allowance based on the Consumer Price Index for Canada, All-Items (March to March) and growth (increase in kilometres of roadway), subject to Council approval; and,
 - 6) That the 2023 operating budget be increased for the 2023 financial impact of CPI for Contract 202-T-12 of \$19,827 Contract 128-T-03 of \$35,927 and Contract 095-T-08 of \$61,419 for a total amount of \$117,174 subject to future growth requirements and Council approval; and further,
 - 7) That Staff be authorized and directed to do all things necessary to give effect to this resolution.

PURPOSE:

The purpose of this report to extend three (3) winter maintenance contracts with a CPI increase and at the same terms and conditions. This extension will allow the City to harmonize the expiry dates for these contracts to March 31, 2024 and assist the City in moving to a new delivery model for the 2024/25 winter season commencing November 2024.

BACKGROUND:

The City has six (6) major winter maintenance contracts:

1. Tractors, Graders, Loaders (Contract # 202-T-12). Expires March 31, 2022
2. Loaders (Contract # 128-T-03). Expires March 31, 2022
3. Tandem/Single Axle Combination Plows (Contract # 095-T-08). Expires March 31, 2023
4. Sidewalk Plows (Contract # 032-T-08). Expires March 31, 2023
5. Load and Haul Snow (Contract # 119-T-19). Expires March 2023
6. Supply & Delivery of Road Salt (Contract # 138-T-17). Expires March 31, 2022

#1 - 3

Under this report, Staff are seeking an extension until March 31, 2024 with the intent of issuing a new tender utilizing the new delivery model in Q1 2022 with a new contract commencing in Q4-2024.

#4

Staff will be tabling a report to Council in Q1 2022 to extend for a further two (2) years.

#5

Staff will issue a tender in Q3 2022 for a new contract to commence in Q4 2023.

#6

Staff have tendered this project and will be tabling a report to Council on January 31, 2022 to award a five (5) year contract.

Staff is undertaking an amendment to the City's winter maintenance delivery model by moving towards a fleet requirement of combination units in lieu of the current model of combination units, graders with plow / wing and agricultural tractors.

The delivery model will remove the need for graders with plow / wing and agricultural tractors and be replaced solely with combination units. This will enable the City to reduce the number of units from 70 to 46 (reduction of 24 units), however, by eventually moving towards a combination unit it will allow the City to plow and salt as a single operation, provide greater flexibility, quicker response and consistent service quality with no anticipated budget impact.

Under today's delivery method, the Grader with Plow and Wing and Agricultural Tractor cannot carry salt, therefore, a City or combination unit vendor are required to salt the local roads after the grader and tractor have plowed.

OPTIONS/ DISCUSSION:

In order for the City to move towards the above noted delivery model, there is a need to harmonize the three (3) existing winter maintenance contracts to expire at the same time.

Existing contracts for 202-T-12 and 128-T-03 expire March 31, 2022 and Staff are recommending extending the contracts for two (2) additional years to expire on March 31, 2024 with an annual increase based on Consumer Price Index (CPI) for Canada, All-Items.

202-T-12 Supply of Equipment to Plow City Streets - (tractor/grader/loader units)

1. Defina Haulage Ltd. (7 tractors, 2 windrows)
2. Donaldson Custom Farming Inc. (13 tractors, 4 windrows)
3. VBN Paving Limited (5 graders, 4 windrows)
4. Griffith Property Services Ltd (12 tractors, 7 graders, 12 windrows)

128-T-03 Loaders (rear lanes, wide corners, cul-de-sacs)

1. Griffith Property Services Ltd. (21 loaders)
2. Wilson Contracting (13 loaders)

A third contractor under 128-T-03, Larkin Construction, provided winter maintenance services with 12 loaders, however, they have advised the City that they are unable to renew the contract as the owner is expected to retire at the end of the current contract term (March 31, 2022).

To ensure appropriate continuation of service levels, the City will request additional units from existing vendors and may require a new tender to be issued and awarded for the contract term from December 1, 2022 to March 31, 2024. Staff will utilize the Expenditure Control Policy and the Procurement by-law to award these 12 loaders.

The existing contract for 095-T-08 expires March 31, 2023 and Staff are recommending extending the contract for one (1) additional year to expire on March 31, 2024 with an annual increase based on Consumer Price Index (CPI) for Canada, All-Items.

095-T-08 Supply and Operation of Tandem/Single Axle Combination Plows**1. D. Crupi & Sons Limited (24 units)**

By harmonizing the contracts to end at the same time (March 31, 2024), it will allow the City to issue a tender in Q1 2022 and provide the successful vendor sufficient time to procure the new combinations units. Due to the supply chain issues, it is advisable to provide the potential new vendor up to two (2) years to procure the necessary units.

Staff will also be bringing another report in March 2022 requesting an extension to the existing winter maintenance services for sidewalks, which is currently under negotiations and expected to expire in Q1-2023. The contracts for sidewalk winter maintenance are considered a separate service and will not be included in the new tender to be issued in 2022.

FINANCIAL CONSIDERATIONS

Description	Contract #	GL	(a)	(b)	(b-c)	(c)	(c-b)
			2022 Budget	2023 Budget	Incremental Cost	2024 Budget	Incremental cost
Tandem Axle - Standby	95-T-08	700 5045353	\$ 733,526	\$ 741,908	\$ 8,382	\$ 750,069	\$ 8,161
Loaders-Standby	128-T-03	700 5045451	\$ 444,378	\$ 451,247	\$ 6,869	\$ 458,215	\$ 6,968
Graders- Standby- No CPI impact	202-T-12	700 5045351	\$ 1,080,854	\$ 1,080,854	\$ -	\$ 1,080,854	\$ -
Total Standby			\$ 2,258,758	\$ 2,274,009	\$ 15,251	\$ 2,289,138	\$ 15,129
					\$ -		
Tandem Axle - Operating	95-T-08	700 5045316	\$ 1,446,636	\$ 1,499,673	\$ 53,037	\$ 1,532,666	\$ 32,993
Loaders - Operating	128-T-03	700 5045407	\$ 655,823	\$ 684,881	\$ 29,058	\$ 694,517	\$ 9,636
Graders - Operating	202-T-12	700 5045301	\$ 912,240	\$ 932,068	\$ 19,827	\$ 952,573	\$ 20,505
Total Operating			\$ 3,014,699	\$ 3,116,622	\$ 101,923	\$ 3,179,756	\$ 63,134
Total			\$ 5,273,457	\$ 5,390,631	\$ 117,174	\$ 5,468,894	\$ 78,263

Incremental cost of \$117,174 for 2023 operating budget and \$78,263 for 2024 operating budget is due to annual price escalation allowance based on Consumer Price Index (CPI), Canada All-items (March 2020 to March 2021). The annual amounts reflects CPI increase only. The 2023 and 2024 budgets are subject to Council approval.

Winter Maintenance Operating Budgets and the corresponding purchase orders will be adjusted for annual growth and price escalation.

HUMAN RESOURCES CONSIDERATIONS

Not applicable.

ALIGNMENT WITH STRATEGIC PRIORITIES:

Transportation/Transit; Municipal Services; Parks, Recreation, Culture and Library Master Plan/Public Safety and Diversity, including Accessibility.

BUSINESS UNITS CONSULTED AND AFFECTED:

Financial Services Department has been consulted in preparation of this report.

RECOMMENDED BY:

Alice Lam
Director, Operations

Morgan Jones
Commissioner, Community Services

ATTACHMENTS:

Not applicable.