



Report to: General Committee

Report Date: February 1, 2018

SUBJECT: Staff Awarded Contracts for the Month of January 2018
PREPARED BY: Alex Moore, Ext. 4711

RECOMMENDATION:

1. THAT the report entitled “Staff Awarded Contracts for the Month of January 2018” be received;
2. And that Staff be authorized and directed to do all things necessary to give effect to this resolution

PURPOSE:

To inform Council of Staff Awarded Contracts >\$50,000 for the month of January 2018 as per Purchasing By-law 2017-8.

BACKGROUND:

Council at its meeting of May 26th, 2009 amended By-Law 2004-341, A By-Law Establishing Procurement, Service and Disposal Regulations and Policies. The Purchasing By-Law delegates authority to staff to award contracts without limits if the award meets the following criteria:

- The award is to the lowest priced supplier
- The expenses relating to the goods / services being procured is included in the approved budget (Operating/Capital)
- The award of the contract is within the approved budget
- The award results from the normal tendering process of the City (i.e. open bidding through advertisements that meet transparency and enables open participation)
- The term of the contract is for a maximum of 4 years
- There is no litigation between the successful supplier and the City at the time of award
- There are no supplier protests at the time of contract award

If one (1) of the above noted criteria is not met then any contract award >\$350,000 requires Council approval.

Where the contract being awarded is a Request for Proposal (RFP) the approval authority limits of staff is up to \$350,000.

Community & Fire Services

Award Details	Description
Lowest Priced Supplier	• 259 -T-17 Installation of Backflow Preventers and Chambers in City Parks
Non-Competitive Supplier	• 121-R-14 Sanitary and Storm Sewer Smoke Testing (For Phase 6 of the Citywide Sanitary System Downspout Disconnection Program) - Contract Extension
Sole Bidder	• 201-Q-17 Recycling Collection and Marketing

Corporate Services

Award Details	Description
Lowest Priced Supplier	• 039-T-17 - Fire Alarm Panel Replacement at Markham Civic Centre • 044-Q-17 Markham Museum – Foundation Rehabilitation at Locust Hill Train Station
Non-Competitive Supplier	• 022-Q-15 Armoured Transportation Services – Contract Extension

Development Services

Award Details	Description
Lowest Priced Supplier	• 244-T-17 Traffic Signal Maintenance

2018-02-09

X 

Joel Lustig
Treasurer
Signed by: cxa

2018-02-09

X 

Trinela Cane
Commissioner, Corporate Services
Signed by: cxa

**STAFF AWARD REPORT****Page 1 of 2**

To:	Brenda Librecz, Commission, Community & Fire Services
Re:	259 -T-17 Installation of Backflow Preventers and Chambers in City Parks
Date:	February 7, 2018
Prepared by:	Dean McDermid, Parks Supervisor, Ext. 2130 Patti Malone, Senior Buyer, Ext. 2239

PURPOSE/BACKGROUND

To obtain approval to award the installation of backflow preventers and chambers at the following 19 city parks locations:

- | | |
|-----------------------|--------------------------|
| 1) Paddock Park | 2) Pioneer Park |
| 3) Milne Dam | 4) Mount Joy, |
| 5) Camp Chimo | 6) Risebrough Park |
| 7) Robinson Park | 8) Tomlinson Park |
| 9) Highgate Park | 10) Denison Park |
| 11) Reesor Park | 12) Mintleaf Park |
| 13) Bayview Glen Park | 14) Victoria Square Park |
| 15) William Robb Park | 16) Peace Park |
| 17) Featherstone Park | 18) Duncan Park |
| 19) Pomona Mills Park | |

Of these 19 locations, 9 will require a new chamber to house the backflow preventer. Backflow preventers are installed in order to be compliant with Ontario's Backflow Preventer Regulation. The backflow preventers are designed to minimize potential contamination of drinking water. Work will be completed by May 2018.

RECOMMENDATION

Recommended Supplier	Ground Up Construction Inc. (Lowest Priced Supplier)	
Current Budget Available	\$ 254,860.00	Various (See Financial Considerations)
Less cost of award	\$ 131,800.57	Cost of Award (Inclusive of HST)
	<u>\$ 13,180.06</u>	Contingency (10%)
	\$ 144,980.63	Total Cost of Award
Budget Remaining after this award	\$ 109,879.37	

*The budget remaining in the amount of \$109,879.37 will be returned to the original funding source.

BID INFORMATION

Advertised	ETN
Bid closed on	December 7, 2017
Number picking up document	20
Number responding to bid	9*

*Note: One bid submission was rejected for non-compliance in accordance with the City's terms and conditions.

PRICE SUMMARY

Suppliers	Price (Inclusive of HST)
Ground Up Construction Inc	\$131,800.57
Canadian Tech Air Systems	\$213,743.00
Rapid Plumbing Inc	\$225,392.50
Rabcon Contractors Ltd.	\$299,797.35
FDM Contracting Co Ltd	\$334,138.05
Nutemp Mechanical Systems Ltd	\$411,148.19
614128 Ontario Ltd o/a Trisan Construction	\$465,152.38
Enviroturf Inc.	\$541,083.82

FINANCIAL CONSIDERATIONS

Account Name	Account #	Budget available for this Award	Total Cost of the Award	Budget Remaining
Parks Backflow Prevention Program - Year 1 of 2	059-5350-15225-005	\$ 104,860	\$ 72,491	\$ 32,369
Parks Backflow Prevention Program - Year 2 of 2	059-5350-16172-005	\$ 150,000	\$ 72,490	\$ 77,510
Total		\$ 254,860	\$ 144,981	\$ 109,879

The remaining budget in the amount of \$109,879 will be returned back to the original funding source.

OPERATING BUDGET AND LIFE CYCLE IMPACT

There is no incremental impact to the operating budget.

There is no incremental impact to the Life Cycle over the next 25 years. The backflow preventers for the locations listed above will be added to the Life Cycle as part of the 2018 update with a useful life of 30 years.

ENVIRONMENTAL CONSIDERATIONS

N/A



STAFF AWARD REPORT

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To:	Andy Taylor, Chief Administrative Officer
Re:	121-R-14 Sanitary and Storm Sewer Smoke Testing (Phase 6 of the Citywide Sanitary System Downspout Disconnection Program) – Contract Extension
Date:	December 14, 2017
Prepared by:	Lijing Xu, Wastewater Hydraulic Engineer, ext. 2967 Flora Chan, Senior Buyer, ext. 3189

PURPOSE/BACKGROUND

To obtain approval to extend the contract for the sanitary and storm sewer smoke testing for one (1) additional year.

RECOMMENDATION

Recommended Supplier (s)	Thompson Flow Investigation Inc. (Non-Competitive Procurement)	
Current Budget Available	\$ 222,000.00	760-101-5399-18281 Sanitary System Downspout Disconnection Program-PH 6
Less cost of award	\$ 211,080.77 \$ 10,554.04 \$ 221,634.81	2018 Award 5% Contingency* Total Cost of Award, with HST Impact
Budget Remaining after this award	\$ 365.19	**

*Based on previous experience, Staff recommend to reduce the standard contingency of 10% to 5%

** The remaining budget in the amount of \$365.19 will be returned to the original funding source

Note: Under this award, 74 km of sanitary sewer lines and 62 km of storm sewer lines will be completed by December 31, 2018.

Staff further recommends:

That the tender process be waived in accordance with Purchasing By-Law 2017-18, Part II, Section 11.1 (c) which states “when the extension of an existing Contract would prove more cost-effective or beneficial”

OPTIONS/DISCUSSIONS

The City may negotiate contracts outside the competitive contracting process, when negotiations can reasonably be expected to lead to price savings and/or operation efficiencies for the City, which could not be reasonably expected as achievable through competitive bidding process.

Thompson Flow Investigation Inc. has been the awarded supplier of this contract since 2013. Staff are satisfied with the level of service provided by the supplier, who has demonstrated a good understanding of the City’s requirements and process over the years. Staff considered re-tendering the project but do not recommend due to the following rationale.

Rationale

Niche Market

In the 2013 (004-R-13) and 2014 (121-R-14) Request for Proposals, only 3 and 2 bids were submitted, respectively. Reasons for “No bid” included workload and inability to meet City’s specifications.

Price

Through 2014’s competitive process, the recommended supplier’s bid price was significantly lower than the 2nd bidder and 3.5% lower than their 2013 submitted prices.

Quality

Staff is satisfied with the quality of work and services provided by the recommended supplier, who consistently scores well in each year’s performance evaluation.

OPERATING BUDGET AND LIFE CYCLE IMPACT

N/A

ENVIRONMENTAL CONSIDERATIONS

Disconnecting roof downspouts from the sanitary sewer system has extensive environmental benefits which include reducing inflow/infiltration into the sanitary sewer system, reducing energy costs of sanitary flow pumping and treatment, reducing risk of sanitary sewer backups into basements, and reducing sanitary sewer overflow potential to receiving waters.



STAFF AWARD REPORT

To:	Andy Taylor, Chief Administrative Officer
Re:	201-Q-17 Recycling Collection and Marketing
Date:	December 13, 2017
Prepared by:	Bridget Mitchell, Supervisor, Waste Management Operations Ext. 3710 Tony Casale, Senior Construction Buyer, Ext. 3190

PURPOSE/BACKGROUND

To obtain approval to award the contract for recycling collection and marketing of plastic film, toner cartridges, polystyrene, batteries and tires from the City's four designated recycling depots and the two City facilities (Civic Centre and Operations Dept.) based on a scheduled and 'as-needed' basis. The term of the contract is for two (2) years with an option to extend the contract for two (2) additional one year terms at the same itemized pricing.

RECOMMENDATION

Recommended Suppliers	The Recycle People Corp (Sole Bidder)	
Current Budget Available	\$ 95,588.97	See Financial Considerations
Less cost of award	\$ 92,034.59	Inclusive of HST for 2018
	\$ 95,124.03	Inclusive of HST for 2019*
	\$ 95,124.03	Inclusive of HST for 2020*
	<u>\$ 95,124.03</u>	Inclusive of HST for 2021*
	\$ 377,406.67	Total
Budget Remaining after award	\$ 3,554.38	**

* Subject to Council approval of the 2019-2021 operating budgets.

** The remaining budget in the amount of \$3,554.38 will be used to accommodate any change in quantity requirements, if required.

Note: The 2018 operating budget accounts outlined on Page 2 have been reallocated among the Waste operating budget to accommodate the contract increases. This award is based on estimated historical quantities and is subject to change.

BID INFORMATION

Advertised	ETN
Tender closed on	November 22, 2017
Number of contractors picking up bid documents	6
Number of contractors responding to bid	1*

*Staff contacted the bidders that picked up the bid document but did not submit a bid. Of the five bidders that did not submit a bid, procurement received responses from 3 bidders. One advised they only offer hauling but not marketing, one bidder does not currently recycle or market these types of materials and one bidder advised that they were only interested in tires and not the other aspects of the contract.

PRICE SUMMARY

Supplier	Bid Price (Incl. of HST)
The Recycle People Corp.	\$92,034.59*

*In comparison with the 2013 contract pricing, the rates have increased by approximately 19% which can be attributed to the following:

1. Increase in labour rates from \$10.25 in 2013 to \$14.00 in 2018 and \$15.00 in 2019
2. China no longer accepting many recyclable materials and rebates are no longer being received on plastics.

Staff negotiated with the sole bidder and were able to reduce the unit prices in 2018 resulting in a 3.25% reduction (\$3,089). Pricing for the remainder of the contract (2019-2021) will remain fixed for the duration of the contract.

The Recycle People have been Markham's depot/facility collection contractor since 2009. In 2013, staff issued a bid to the market (219-Q-13) and only one bid was received. Staff have been very satisfied with their performance and expect that The Recycle People Corp will continue to meet the City's expectations.

FINANCIAL CONSIDERATIONS

Account Name	Account #	2018 Budget Amount	Budget Allocated to this Award	Cost of Award	Budget Remaining
Markham Depot - Recycling Service	770-470-5912	42,850.00	26,574.27	25,586.13	988.14
Unionville Depot - Recycling Service	770-471-5912	40,695.00	25,053.60	24,122.00	931.59
Milliken Depot - Recycling Service	770-472-5912	15,700.00	9,339.61	8,992.33	347.28
Thornhill Depot - Recycling Service	770-473-5912	30,440.00	25,053.60	24,122.00	931.59
Recycling Service	770-772-5912	49,622.00	8,807.57	8,480.07	327.50
Civic Centre	750-751-5350	13,500.00	760.33	732.06	28.27
Totals:		192,807.00	95,588.97	92,034.59	3,554.38

OPERATING BUDGET AND LIFE CYCLE IMPACT

There is no incremental operating budget and life cycle impact. The 2018 operating budget accounts have been reallocated among the Waste operating budget to accommodate the contract increases.

ENVIRONMENTAL CONSIDERATIONS

The City of Markham is a provincial and national leader in waste diversion due to its dedication in offering diversion programs and opportunities that are socially, environmentally and economically responsible. Recycling opportunities beyond the materials accepted in the Blue Box system, such as film plastic, polystyrene, toner cartridges, tires and batteries contributed towards achieving Markham's goal of 80% diversion and aids in satisfying residents' desires to be more environmentally responsible.



STAFF AWARD REPORT

To:	Graham Seaman, Director, Sustainability & Asset Management
Re:	039-T-17 Fire Alarm Panel Replacement at Markham Civic Centre
Date:	December 22, 2017
Prepared by:	Amaris Liu, Facility Asset Coordinator, Asset Management Ext. 3526 Flora Chan, Senior Buyer, Purchasing Ext. 3189

PURPOSE

To obtain approval to award the contract for Fire Alarm Panel Replacement at Markham Civic Centre. The expected completion is February 2018.

RECOMMENDATION

Recommended Supplier	JD Electric Services (Lowest Priced Supplier)	
Current Budget Available	\$ 162,401.00	270-101-5399-17177 Civic Centre Improvements - Fire Alarm Panel Replacement
Less cost of award	\$ 53,708.93 \$ 5,370.89 \$ 59,079.82	Includes HST Contingency @ 10% Total Cost of Award
Budget remaining after award	\$ 103,321.18	*

* The remaining balance will be returned to original funding source. The favourable variance was due to replacement of smoke detectors, pull stations, heat sensors, supervisory switches, pressure switches, flow switches and strobe lights that were originally included within the budget and were not required for replacement based on condition assessment.

BID INFORMATION

Advertised	ETN
Bid closed on	December 6, 2017
Number picking up document	15
Number responding to bid	3

PRICE SUMMARY (Inclusive of HST Impact)

Suppliers	Bid Price	Separate Price*	Total Bid Price
JD Electric Services	\$ 49,740.29	\$ 3,900.00	\$ 53,640.29
Current Technologies Ltd.	\$ 61,564.80	\$ 7,250.00	\$ 68,814.80
EEL Line Corporation	\$ 94,636.80	\$ 11,000.00	\$ 105,636.80

*The tender included a separate price to remove the existing fire alarm panel in ITS server room.

OPERATING BUDGET AND LIFE CYCLE IMPACT

There are no incremental operating budget impact.

The replacement cost of the fire alarm panel will be adjusted in the Life cycle Reserve Study. The replacement of the smoke detectors, pull stations, heat sensors, supervisory switches, pressure switches, flow switches and strobe lights will be addressed through operating budgets as their condition requires replacement.

ENVIRONMENTAL CONSIDERATIONS

Fire alarm system control panel do not have environmental ratings and do not consume large amounts of electricity. It is life-safety system. Limited environmental considerations such as LED cards for the panel indicators have been included in this scope.

There are no applicable energy incentives or savings at this time.

**STAFF AWARD REPORT****Page 1 of 2**

To:	Trinela Cane, Commissioner, Corporate Services
Re:	044-Q-17 Markham Museum – Foundation Rehabilitation at Locust Hill Train Station
Date:	November 29, 2017
Prepared by:	Steve Walo, Project Manager, Facility Assets, Ext. 2567 Flora Chan, Senior Buyer, Ext. 3189

PURPOSE/BACKGROUND

To obtain approval to award the contract for foundation rehabilitation at Locust Hill Train Station within the Markham Museum. The scope of work includes the following:

- Installation of helical piers and wood beams
- Reworking of existing deck to accommodate drilling equipment
- Minor earthworks
- Electrical and security disconnects and reconnects
- Testing and inspection

The construction will start April 2018 and be completed by June 2018.

RECOMMENDATION

Recommended Supplier	Ultimate Construction Inc. (Lowest Priced Supplier)	
Current Budget Available	\$ 50,196.50	510-101-5699-17022 Museum Local Hill Train Station
Less cost of award	\$ 84,053.76	Award
	\$ 8,405.38	10% Contingency
	\$ 92,459.14	Total Award inclusive of HST
Budget remaining after award	(\$ 42,262.64)	*

* The shortfall of \$42,262.64 will be funded from the Non-DC Capital Contingency account, which has a current balance of \$250,000.00.

The shortfall is attributed to the following:

- 1) The consultant component was budgeted in the amount of \$6,884.06 (inclusive of contingency) as compared to the award amount of \$25,353.50 resulting in a shortfall of \$18,469.44 (\$25,353.50 - \$6,884.06). The City had to retain a geotechnical engineer to validate the soil conditions and structural design. This geotechnical engineer was not included in the original consultant budget. As well, the original budget was based on a very high-level conceptual design to derive a cost estimate with limited information.
- 2) The construction component was budgeted in the amount of \$71,639.04 (inclusive of contingency) as compared to the award amount of \$92,459.14 which resulted in a shortfall of \$20,820.10 (\$92,459.14 - \$71,639.04). The shortfall was due to refinements during the design development and the addition of testing, inspection, electrical disconnects and related earthworks.

BID INFORMATION

Advertised	ETN
Bids closed on	November 28, 2017
Number picking up bid documents	19
Number responding to bid	8

PRICE SUMMARY (Inclusive of HST)

Suppliers	Bid Price*
Ultimate Construction Inc.	\$ 84,053.76
Heritage Restoration Inc.	\$ 90,312.00
Hawkins Contracting Services Limited	\$ 94,977.05
Rainforces Ltd.	\$ 96,387.07
GMP Contracting	\$ 103,321.00
AJS Contracting Limited.	\$ 111,528.96
Terco Construction Ltd	\$ 119,059.20
Associated Building Restoration Ltd.	\$ 178,471.78

*Includes cash allowance of \$1,017.60 for building material testing & inspection and \$610.56 for fire alarm disconnection and reconnection.

OPERATING BUDGET AND LIFE CYCLE IMPACT

The rehabilitation of the Locust Hill Train Station has a lifecycle of 75 years and therefore there is no immediate impact to the Life cycle Reserve Study in the next 25 years.

ENVIRONMENTAL CONSIDERATIONS

- Wood deck replacement includes Forest Stewardship Council (FSC) certified wood based materials to encourage environmental responsibility and sustainability;
- Foundation rehabilitation will increase the overall lifespan of the building and reduce the building life cycle material replacement scope of work once the foundation work is completed.



STAFF AWARD REPORT

To:	Andy Taylor, Chief Administrative Officer
Re:	022-Q-15 Armoured Transportation Services - Contract Extension
Date:	November 2, 2017
Prepared by:	Miranda Miluzzi, Manager, Tax & Cash Management Ext. 4726 Patti Malone, Senior Construction Buyer Ext. 2239

PURPOSE/BACKGROUND

To obtain approval to extend the contract for armoured transportation services for four (4) additional years commencing January 1, 2018 at a 4% reduction compared to the 2017 price. The City utilizes the services of a professional armoured courier service for the transportation of deposits between the Anthony Roman Centre and the bank. The courier also picks up deposits from other various City facilities (i.e. community centres and libraries).

RECOMMENDATION

Recommended Supplier	Inkas Security Services Ltd. (Non-Competitive Procurement)	
Current Budget Available	\$ 34,038.00	410 440 5395 Armoured Car Service
Less Cost of award	\$ 32,754.77	January – December 2018 cost of award (inclusive of HST)*
	\$ 32,754.77	January – December 2019 cost of award (inclusive of HST)*
	\$ 32,754.77	January – December 2020 cost of award (inclusive of HST)*
	<u>\$ 32,754.77</u>	January – December 2021 cost of award (inclusive of HST)*
	\$ 131,019.08	Total Cost of Award (inclusive of HST)
Budget Remaining after this award	\$ 1,283.23	**

*Subject to Council approval of the 2018-2021 operating budget.

**The remaining balance in the amount of \$1,283.23 will be reallocated as part of the 2018 Operating Budget process.

Staff further recommends:

That the tendering process be waived in accordance with Purchasing By-Law 2017-8, Part II, Section 11.1 (c) which states “when the extension of an existing Contract would prove more cost-effective or beneficial”.

OPTIONS/DISCUSSIONS

In 2015, contract 022-Q-15 for armoured transportation services was awarded to the lowest priced supplier (Inkas Security Services Ltd) until December 31, 2017. Staff is seeking approval to extend the existing contract with Inkas Security Services Ltd (Inkas) for four (4) additional years (January 1, 2018 to December 31, 2021) at the same terms, conditions and with a 4% reduction compared to the expiring 2017 price.

The City may negotiate contracts outside the competitive contracting process when negotiations can reasonably be expected lead to benefits for the City, which could not reasonably be expected to be achieved through competitive bidding process

Since 2009, the City has issued three (3) Quotations to the market with Inkas being the lowest priced bidder on each occasion. Additionally, the City has not received more than three bid submissions due to limited vendors in the marketplace.

Due to the above and the potential impact of Bill 148 pending legislation as well as fluctuating fuel prices, Staff believe it is in the City’s best interest to secure the incumbent for an additional four years at a 4% reduction in price that will remain fixed over the four years. Finance Department completed the vendor performance evaluation and are satisfied with the performance of Inkas.

OPERATING BUDGET AND LIFE CYCLE IMPACT

N/A

ENVIRONMENTAL CONSIDERATIONS

N/A



STAFF AWARD REPORT

To:	Andy Taylor, Chief Administrative Officer
Re:	244-T-17 Traffic Signal Maintenance
Date:	December 5, 2017
Prepared by:	Justin Chin, Engineering Technologist, Traffic Operations Ext. 4020 Tony Casale, Sr. Construction Buyer, Ext. 3190

PURPOSE/BACKGROUND

To obtain approval to award the contract for traffic signal maintenance for two (2) years with an option to extend the contract for two (2) additional years at the same itemized pricing. On an as required basis, the contractor will provide routine, preventative and responsive maintenance to all of the City's traffic control signals and traffic control devices to provide safe, reliable and efficient operations for roadway users.

RECOMMENDATION

Recommended Supplier	Guild Electric Ltd. (Lowest Priced Supplier)	
Current Budget Available	\$ 291,245.73	740 998 5308 Traffic Signal Maintenance
Less cost of award	\$ 291,245.73	Inclusive of HST for 2018*
	\$ 291,245.73	Inclusive of HST for 2019*
	\$ 291,245.73	Inclusive of HST for 2020*
	\$ 291,245.73	Inclusive of HST for 2021*
	\$ 1,164,982.92	Total
Budget Remaining after award	\$ 0.00	*

*Subject to Council approval of the 2018-2021 operating budgets.

BID INFORMATION

Advertised	ETN
Tender closed on	November 21, 2017
Number of contractors picking up bid documents	5
Number of contractors responding to bid	5

PRICE SUMMARY

Suppliers	Bid Price (Incl. of HST)
Guild Electric Ltd.	\$291,245.73
Black & McDonald Limited	\$349,355.22
Beacon Utility Contractors	\$353,784.18
TM3 Inc.	\$484,671.72
Fellmore Electrical Contractors	\$606,463.53

In comparison with the 2013-2017 pricing, the rates have increased by 9%; however, pricing remains fixed for the duration of the contract (2018-2021). The contract includes 470 different items that may or may not be used on an annual basis. The award amount is based on an annual estimate based on previous year's usage.

OPERATING BUDGET AND LIFE CYCLE IMPACT

N/A

ENVIRONMENTAL CONSIDERATIONS

N/A