



Report to: General Committee

Meeting Date: February 29, 2016

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**SUBJECT:** Award of Tender 002-T-16 Tree Planting - Supply, Install, Water and Warranty of Tree Planting

**PREPARED BY:** Peter Shields, Supervisor, Forestry, Ext. 2335  
Patti Malone, Senior Buyer, Ext. 2239

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**RECOMMENDATION:**

- 1) That the report entitled “Award of Tender 002-T-16 Tree Planting - Supply, Install, Water and Warranty” be received;
- 2) And That contract 002-T-16 for the Supply, Install, Water and Warranty of Tree Planting throughout the City be awarded to the lowest priced bidder (Salivan Landscape Ltd. for Area 1 and 1913574 Ontario Inc., Royal Oak Tree Services Inc. for Area 2) for two years in following amounts:
  - 2016 - \$2,212,475.08
  - 2017 - \$1,738,185.96
- 3) And That the 2016 award be funded from accounts as detailed in the Financial Considerations Section;
- 4) And That balance remaining in the 2014 and 2015 Boulevard/Parks Planting totaling \$10,194 be returned to original funding source.
- 5) And that balance remaining in the Forestry – Contracted Services account (730-734-5399) of \$2,359 be reported as part of the year-end operating variance and the 2017 operating budget will be amended accordingly;
- 6) And That Staff be authorized to amend the award amount in 2017 to reflect changes to Capital budget accounts based upon volume changes, subject to Council approval of the 2017 budget;

That Staff be authorized and directed to do all things necessary to give effect to this resolution.

**PURPOSE:**

To obtain approval to award the contract for the supply, install, water and warranty tree planting during spring/fall 2016 and spring/fall 2017 at the same itemized prices.

**BACKGROUND:**

Emerald Ash Borer (EAB) has devastated the ash tree population in Markham. The City removed 8,000 ash trees in 2013-2014 from City streets and another 5,000 ash trees that further expanded into City parks in 2015. The tree planting under this contract relates directly to those removals.

The City met the target of planting 6,000 new trees in 2015, and is planning to plant another 6,300 new trees in 2016. The City requested the contractors supply, install, water, structurally prune, and guarantee each tree for 2 years. The award under this Tender is to plant 6,300 trees in 2016 and another 4,850 new trees in 2017. This award also includes the trees that are part of Forestry's regular tree planting operations that will utilize this favorable pricing.

**BID INFORMATION:**

Advertised	ETN
Bid closed on	February 2, 2016
Number picking up document	18
Number responding to bid	7

\* One bidder was disqualified for not submitting the required documentation (Bond) as required under the Tender document. The tender document stated the following: *"Any bid submitted without the required documents and where marked mandatory shall be disqualified"*.

**PRICING SUMMARY:**

The Tender document stipulated that one contractor would be awarded Area 1, and another contractor Area 2. Due to the amount of work required for this bid, two contractors are splitting the work to avoid dependence on only one contractor. The contract award decision would be determined by the most favorable pricing combination (Area 1 & Area 2) to the City.

**Area 1**

<b>Suppliers</b>	<b>2016</b>	<b>2017</b>	<b>Area 1 Total</b>
<b>Salivan Landscape Ltd.</b>	<b>\$1,111,360.65</b>	<b>\$878,441.16</b>	<b>\$1,989,801.81</b>
1913574 Ontario Inc., Royal Oak Tree Services Inc.	\$1,113,513.89	\$881,852.16	\$1,995,366.05
Lomco Limited	\$1,217,659.14	\$972,222.16	\$2,189,881.31
Orin Contractors Corp.	\$1,621,932.29	\$1,277,117.51	\$2,899,049.80
TBG Environmental Inc.	\$1,218,963.93	\$901,464.00	\$2,120,427.94
M & S Architectural Concrete Ltd.	\$2,029,517.72	\$1,511,593.92	\$3,541,111.64

**Area 2**

<b>Suppliers</b>	<b>2016</b>	<b>2017</b>	<b>Area 2 Total</b>
Salivan Landscape Ltd.	\$1,100,428.57	\$857,940.59	\$1,958,369.16
<b>1913574 Ontario Inc., Royal Oak Tree Services Inc.</b>	<b>\$1,101,114.43</b>	<b>\$859,744.80</b>	<b>\$1,960,859.23</b>
Lomco Limited	\$1,216,537.75	\$959,477.74	\$2,176,015.49
Orin Contractors Corp.	\$1,607,553.60	\$1,261,250.07	\$2,868,803.67
TBG Environmental Inc.	\$1,206,415.41	\$879,888.29	\$2,086,303.70
M & S Architectural Concrete Ltd.	\$2,009,366.19	\$1,475,794.75	\$3,485,160.94

**Overview 2016 award**

Salivan Landscape Ltd.	\$1,111,360.65
1913574 Ontario Inc., Royal Oak Tree Services Inc.	\$1,101,114.43
<b>Total 2016</b>	<b>\$2,212,475.08</b>

The 2016 award is based on 6,300 trees.

**Overview 2017 award**

Salivan Landscape Ltd.	\$878,441.16
1913574 Ontario Inc., Royal Oak Tree Services Inc.	\$859,744.80
<b>Total 2017</b>	<b>\$1,738,185.96</b>

The 2017 award is based on 4,850 trees.

Note: Compared to the previous contract 2014-2015, this contract represents a 9.6% decrease in unit prices for trees.

**FINANCIAL CONSIDERATIONS AND TEMPLATE: (external link)**

<b>Account Name</b>	<b>Account #</b>	<b>Budget Amount</b>	<b>Budget Allocated for this Award</b>	<b>Cost of Award</b>	<b>Budget Remaining</b>
Emerald Ash Borer Program - 2016	700-101-5399-16165	4,132,800	2,325,186	2,096,621	228,564
2014 - Boulevard/Parks Planting	700-101-5399-14219	94,000	18,931	17,071	1,861
2015 - Boulevard/Parks Planting	700-101-5399-15230	95,500	85,406	77,011	8,395
Forestry - Contracted Services	730-7345399	264,769	24,146	21,773	2,374
		-		-	-
<b>Totals:</b>		<b>4,587,069</b>	<b>2,453,669</b>	<b>2,212,475</b>	<b>241,194</b>

Balance remaining in the EAB – 2016 program of \$227,174 will be retained for other works associated with EAB including tree removal, treatment, inventorying and stumping. Balance remaining in the 2014 and 2015 Boulevard/Parks Planting totaling \$10,194 will be returned to original funding source. Balance remaining in Forestry – Contracted Services (730-734-5399) of \$2,359 will be reported as part of the year-end operating variance. The 2017 budget will be amended accordingly.

The EAB program remains at \$13.10M of which \$6.45M has been funded to-date. Council approved a 0.5% tax rate increase in 2013 to fund the EAB infestation,

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equivalent to annual funds of \$0.59M. A dedicated interest bearing reserve fund for the EAB program was established. At the completion of the EAB program anticipated by 2017, the EAB reserve fund will be in a deficit position of (\$6.06M). Annual funds of \$0.59M will be used to replenish the reserve. It is expected that it will take approximately 10 years to fully recover the total program cost of \$13.1M.

**HUMAN RESOURCES CONSIDERATIONS**

Not Applicable

**ALIGNMENT WITH STRATEGIC PRIORITIES:**

Not Applicable

**BUSINESS UNITS CONSULTED AND AFFECTED:**

Not Applicable

**RECOMMENDED BY:**

2/23/2016

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Laurie Canning  
Acting Director, Operations

23/02/2016

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Brenda Librecz  
Commissioner, Community & Fire Services