



Report to: General Committee

Date Report Authored: March 30, 2015

SUBJECT: 001-T-15 Concrete Maintenance and 002-T-15 Asphalt Maintenance
PREPARED BY: John Hoover, Supervisor, Contract Administrator, Ext. 4808
Patti Malone, Senior Buyer, Ext. 2239

RECOMMENDATION:

- 1) That the report entitled “001-T-15 Concrete Maintenance and 002-T-15 Asphalt Maintenance be received”;
- 2) And That the contract 001-T-15 for Concrete Maintenance be awarded to the second lowest priced qualified Bidder, VBN Paving Limited for one year, with an option to renew for an additional three years, at one year increments with prices fixed for the first three years of the contract term and with a CPI index for the fourth year, based on the percentage change in the posted All-items CPI (Consumer Price Index) for Canada for the previous twelve (12) month period December to December (not exceeding a 3% increase), in the estimated total amount \$4,942,938.75 inclusive of HST, and per year as follows:
 - 2015 - \$1,226,535.67
 - 2016 - \$1,226,535.67
 - 2017 - \$1,226,535.67
 - 2018 - \$1,263,331.74
- 3) And That the contract 002-T-15 for Asphalt Maintenance be awarded to the lowest priced qualified Bidder, IPAC Paving Limited, with an option to renew for an additional three years, at one year increments with prices fixed for the first three years of the contract term and with a CPI index for the fourth year, based on the percentage change in the posted All-items CPI (Consumer Price Index) for Canada for the previous twelve (12) month period December to December (not exceeding a 3% increase), in the estimated total amount \$2,671,447.02 inclusive of HST, and per year as follows:
 - 2015 - \$662,890.08
 - 2016 - \$662,890.08
 - 2017 - \$662,890.08
 - 2018 - \$682,776.78
- 4) And That the award be funded from Operations Department 2015 Operating and Capital Budgets accounts as detailed in the Financial Considerations Section;
- 5) And that a 115 day construction inspector be hired to monitor the Asphalt Maintenance contract for 2015 at a cost of \$20,645, to be funded from the 2015 capital project # 15204 (Parking Lots – Localized Repairs) and 2015 capital project # 15227 (Paving Pathways/Facilities & Stairways Repairs);
- 6) And That Staff be authorized to amend the award amount in 2016 and 2017 and 2018 to reflect changes to Operations Department Operating and Capital budget accounts based upon volume changes, subject to Council approval of the 2016/2017/2018 budgets;

- 7) And That the Director of Operations and Senior Manager of Purchasing be authorized to reallocate funds within the overall Asphalt/Concrete Maintenance Program budget;
- 8) And That the remaining funds in the amount of \$50,847.00 for 001-T-15 Concrete Maintenance be returned to the original funding source, and that the remaining funds of \$20,534.00 for 002-T-15 Asphalt Maintenance be returned to the original funding source;
- 9) And that Staff be authorized and directed to do all things necessary to give effect to this resolution.

EXECUTIVE SUMMARY:

N/A

PURPOSE:

To obtain Council approval to award 001-T-15 "Concrete Maintenance" and 002-T-15 "Asphalt Maintenance" contracts for a one year period, with an option to renew for an additional three years, with the price fixed for 3 years and a recommendation that an increase be applied for the fourth year, on the percentage change in the posted All-items CPI (Consumer Price Index) for Canada for the previous twelve (12) month period ending December 31, (not exceeding a 3% increase).

BACKGROUND:

001-T-15 Concrete Maintenance and 002-T-15 Asphalt Maintenance are annual programs that include removal and replacement of concrete and asphalt infrastructure throughout the City of Markham.

Budgets provided in this award for the concrete and asphalt maintenance are also used in separate contracts for interlocking repairs, bridge preventative maintenance, paving pathways and railway crossing repairs. Therefore, the Roads Dept will administer this contract and monitor work in order to limit spending to the approved budgeted amounts.

BID INFORMATION:

001-T-15 – Concrete Maintenance

Advertised, place and date	ETN
Bids closed on	February 5, 2015
Number of contractors picking up bid documents	25
Number of contractors responding to bid	5

002-T-15 – Asphalt Maintenance

Advertised, place and date	ETN
Bids closed on	February 19, 2015
Number of contractors picking up bid documents	18
Number of contractors responding to bid	9

DETAILED SUMMARY INFORMATION:**001-T-15 – Concrete Maintenance**

Bidder	Price (Including HST Impact)
IPAC Paving Ltd.	\$992,414.40*
VBN Paving Limited	\$1,226,535.67
VTa Construction Ltd.	\$1,381,722.72
2274084 Ontario Ltd. o/a GMP Contracting	\$1,473,993.60
Trisan Construction	\$1,716,363.53

*The City exercised their right not to award to the lowest bidder, since they did not have the required experience for the size and scope of the work. During reference checks and through written confirmation from IPAC Paving Ltd themselves, it has been confirmed that the low bidder has no experience related to concrete maintenance work.

Concrete maintenance requires specific skilled labour operating various equipment (i.e. grinder, spreader), understanding of forming, pouring and hand finishing of concrete, as well as working in areas where utilities are located. The City's risks are too high to consider awarding a contract of this nature to a company who has never performed the work.

002-T-15 – Asphalt Maintenance

Bidder	Price (Including HST Impact)
IPAC Paving Ltd.	\$662,890.08*
D. Crupi & Sons Limited	\$798,917.76
D & A Road Services Inc.	\$843,870.27
Mountain Top Construction Inc.	\$963,527.28
C. Valley Paving Ltd.	\$1,005,388.80
Metro Asphalt Interlocking & Paving Ltd.	\$1,121,835.31
Peltar Paving and General Contracting Company Limited	\$1,310,724.77
Forest Contractors Ltd.	\$1,363,360.13
Brennan Paving Construction Ltd.	\$1,471,118.88

* References for Asphalt proofed satisfactory and IPAC Paving Ltd have relevant experience for this type of work.

FINANCIAL CONSIDERATIONS AND TEMPLATE: (external link)**001-T-15 Concrete Maintenance**

Account Name	Account #	Original Budget Amount	Amount to Allocate to this project	Cost of Award	Budget Remaining after Allocation of Award
Parking Lots	050-6150-15204-005	\$ 103,500	\$ 25,875	\$ 25,875	\$ -
Paving Pathways/ Facilities	059-6150-15227-005	\$ 326,900	\$ 10,000	\$ 10,000	\$ -
Localized Repairs Curb and Sidewalk	050-6150-14189-005	\$ 428,800	\$ 7,872	\$ 7,872	\$ -
Localized Repairs Curb and Sidewalk	050-6150-15203-005	\$ 535,700	\$ 535,700	\$ 484,853	\$ 50,847
Asphalt Repairs	700-501-5304	\$ 1,080,987	\$ 693,691	\$ 693,691	\$ -
Bridge Preventative Maintenance	700-101-5399-14183	\$ 46,700	\$ 4,244	\$ 4,244	\$ -
Total		\$ 2,522,587	\$ 1,277,382	\$ 1,226,535	\$ 50,847

*The remaining budget in the amount of \$50,847 will be returned to the original funding source,

002-T-15 Asphalt Maintenance

Account Name	Account #	Original Budget Amount	Amount to Allocate to this project	Cost of Award	Budget Remaining after Allocation of Award
Parking Lots	050-6150-14192-005	\$ 213,800	\$ 11,619	\$ 10,109	\$ 1,510
Parking Lots	050-6150-15204-005	\$ 103,500	\$ 77,625	\$ 67,534	\$ 10,091
Paving Pathways/ Facilities	059-6150-15227-005	\$ 326,900	\$ 114,000	\$ 99,180	\$ 14,820
Railway Crossing	050-5350-15206-005	\$ 50,400	\$ 50,400	\$ 43,848	\$ 6,552
Railway Crossing	700-101-5399-13457	\$ 52,900	\$ 39,879	\$ 34,695	\$ 5,184
Asphalt Repairs	700-501-5304	\$ 1,080,987	\$ 387,296	\$ 387,296	\$ -
Bridge Preventative Maintenance	700-101-5399-15198	\$ 23,250	\$ 23,250	\$ 20,228	\$ 3,022
Total		\$ 1,851,737	\$ 704,069	\$ 662,890	\$ 41,179

*Of the remaining budget of \$41,179, an amount of \$20,645 will be used to fund a 115 day construction inspector to monitor the Asphalt Maintenance contract for the term of the 2015 contract. The remaining funds of \$20,534 will be returned to the original funding source.

HUMAN RESOURCES CONSIDERATIONS

Not Applicable

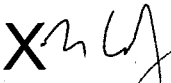
ALIGNMENT WITH STRATEGIC PRIORITIES:

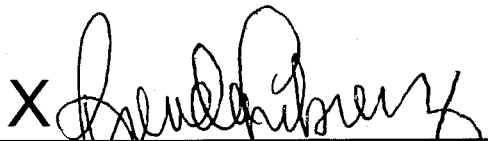
Not Applicable

BUSINESS UNITS CONSULTED AND AFFECTED:

Not Applicable

RECOMMENDED BY:

 **Per B. NICHOLSON**
 Bob Nicholson
 Acting Director, Operations

 **X**
 Brenda Lipredz
 Commissioner, Community and Fire Services