



Report to: General Committee

Date of Meeting: April 24th, 2006

SUBJECT: Award of Tender 035-T-06 Concrete Maintenance and
036-T-06 Asphalt Maintenance

PREPARED BY: Bob Walter, Manager, District East
Alex Moore, Senior Buyer

RECOMMENDATION:

THAT the report entitled "Award of Tender 035-T-06 Concrete Maintenance and 036-T-06 Asphalt Maintenance" be received;

AND THAT the contract for Tender 035-T-06 Concrete Maintenance be awarded to the lowest price bidder, VTA Construction in the amount of \$600,000.00 exclusive of GST;

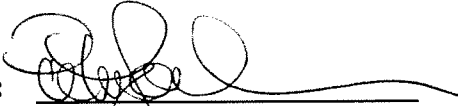
AND THAT the contract for Tender 036-T-06 Asphalt Maintenance be awarded to the lowest priced bidder, D.Crupi & Sons in the amount of \$479,396.00 exclusive of GST;

AND THAT the Director of Operations and Director of Financial and Client Services be authorized to exercise the option to renew the contracts 035-T-06 Concrete Maintenance and 036-T-06 Asphalt Maintenance for an additional 2 years (2007-2008) at the 2006 itemized prices subject to performance and budget approval;

AND THAT the awards be funded from the Roads Department 2006 Operating and Capital budget accounts and next years budget upon approval;

AND THAT the Director of Operations and the Director of Financial & Client Services be authorized to reallocate funds between this blanket order to maximum of 20% of the estimated blanket amount for the duration of the contract, to a combined annual total not to exceed \$1,079,396.00 exclusive of GST;

**RECOMMENDED
BY:**


Peter Loukes
Director, Operations


Jim Sales
Commissioner, Community
and Fire Services

FINANCIAL CONSIDERATIONS:

The funds for this project are included in the approved 2005/2006 Operating and Capital budget accounts listed below:

The following table is a summary of the financial considerations for this report:

Original Budget and Account #	\$3,297,163	Various
Current Budget Available (unspent)	\$2,698,142	
Less Cost	\$1,079,396	Awarded to D.Crupi & Sons and VTA Construction

Budget Remaining	<u>\$1,618,746</u>
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Close upon final payment:	YES
Future Financial Impact:	NO
Finance Department Comments:	NO

Year	Description	Account	Budget
2006	Localized Repairs – Curb & Sidewalk	050-6150-7201-005	\$500,000.00
2006	Localized Repairs – Parking Lots	050-6150-7202-005	\$ 99,800.00
2006	Rain Storm Damage	050-6150-7194-005	\$100,000.00
2006	Asphalt Repairs	700-502-5304	\$302,583.00
2005	Localized Repair – Curb & Sidewalk	050-6150-6615-005	\$ 17,013.00
2005	Boulevard Repairs – Annual Program	050-6150-6608-005	\$ 10,000.00
2005	Railway Xing Improvements	050-6150-6618-005	\$ 50,000.00

The quantities included in these tenders are estimates only and may vary, however, unit prices shall remain firm subject to increase/decrease in the price of asphalt.

PURPOSE:

The purpose of this report is to obtain council approval to award contracts 035-T-06 Concrete Maintenance and 036-T-06 Asphalt Maintenance.

BACKGROUND:

Tender 035-T-06 was released for the annual concrete maintenance that includes removal and replacement of concrete infrastructure throughout the Town of Markham (including repair work in advance of micro-surfacing).

Tender 036-T-06 was released for the annual asphalt maintenance that includes, restoration of asphalt infrastructure throughout the Town of Markham utilizing various methods including asphalt grinding or excavation followed by asphalt patching (including repair work in advance of micro-surfacing).

Budgets provided in this award are also used in separate contracts for road rehabilitation, interlocking repairs and sidewalk/curb repairs. Therefore, roads department will administer this contract and monitor work in order to limit spending to the approved budgeted amounts.

Budget account 050-6150-7201-005 has \$250,000.00 funded through gas tax revenue. Staff is aware that gas tax funding has additional requirements set out in the Municipal funding agreement and will ensure these requirements are met.

BID INFORMATION (035-T-06 Concrete Maintenance)

Advertised, place and date	ETN
Bids closed on	March 22, 2006
Number of contractors picking up bid documents	8
Number of contractors responding to bid	7

DETAILED PRICING INFORMATION :(035-T-06 Concrete Maintenance)

Company	Total
VTA Construction	\$ 815,250.00
Nu-Con Construction	\$ 823,650.00
Trisan Construction	\$ 876,829.24
Bopit Construction	\$ 895,900.00
Brennan Paving	\$1,022,022.75
Aloia Bros	\$1,080,450.00
D. Martino Construction	\$1,377,750.00

BID INFORMATION (036-T-06 Asphalt Maintenance)

Advertised, place and date	ETN
Bids closed on	March 22, 2006
Number of contractors picking up bid documents	11
Number of contractors responding to bid	2

DETAILED PRICING INFORMATION :(036-T-06 Asphalt Maintenance)

Company	Total
D.Crupi & Sons	\$ 683,225.00
Aloia Bros	\$ 967,935.00

Note: Tender prices are estimates and award value has been determined by the budget approval amount.

OPTIONS/ DISCUSSION:

Not Applicable

FINANCIAL TEMPLATE (Separate Attachment):

See Attachment

ENVIRONMENTAL CONSIDERATIONS:

Not applicable

ACCESSIBILITY CONSIDERATIONS:

Not applicable

ENGAGE 21ST CONSIDERATIONS:

Not applicable

BUSINESS UNITS CONSULTED AND AFFECTED:

[Insert text here]

ATTACHMENTS:

Tender "036-T-06 Road Rehabilitation Program" contract incorporates a price adjustment formula as per the Ministry of Transportation's performance graded asphalt cement price index unless the contractor opts out by notifying the Town in writing within five business days of the award of the contract. Once the contractor has opted out of payment

adjustments based on the index, the contractor will not be permitted to opt back in. The price index will be published monthly in the MTO contract bulletin and displayed on the OHMPA (www.ohmpa.org) and MTO (www.raqs.mto.gov.on.ca) websites. The price index will be used to calculate the amount of the payment adjustment per tonne of new asphalt product accepted into the work.

The price index will be based on the price, excluding taxes, FOB the depots in the Toronto area, of asphalt cement grade PG 58-28 or equivalent. One index will be used to establish and calculate the payment adjustment for all grades. The price index for each month will reflect the previous month's prices.

A payment adjustment per tonne of new asphalt cement will be established for each month in which paving occurs when the price index for the month differs by more than \$15.00/tonne from the price index for the month in which the tender was awarded. When the price index differential is less than \$15.00/tonne, there will be no payment adjustment for that month. Payment adjustments due to changes in the price index are independent of any other payment adjustments made to the asphalt product tender items.

1. **When AC prices are rising** by more than \$15.00/tonne difference, the payment adjustment to be paid to the contractor is the result of subtracting the price index in effect when the tender was awarded from the price index in effect when paving took place minus the \$15.00 float, multiplied by the number of tonnes of PGAC incorporated in the asphalt product as determined by the job mix formula (See Example 1, below). If the answer is negative, no adjustment is made.
2. **When AC prices are falling** by more than \$15.00/tonne difference, the payment adjustment to be made in favour of the owner is the result of subtracting the price index in effect when paving took place plus \$15.00, from the price index when the tender was awarded, multiplied by the number of tonnes of PGAC incorporated in the asphalt product as determined by the job mix formula (See Example 2, below).

The quantity of new asphalt cement includes all grades of asphalt cement supplied by the contractor with and without polymer modifiers. For each month in which a payment adjustment has been established, the quantity will be calculated using the hot mix quantity accepted into the work and its corresponding asphalt cement content as required by the job mix formula except for mixes which contain reclaimed asphalt pavement.

For mixes which contain reclaimed asphalt pavement, the quantity of new asphalt cement will be determined from the difference between the asphalt cement content required by the job mix formula and the asphalt cement content of the reclaimed asphalt pavement incorporated in the asphalt product, as calculated by the Town representative.

Example 1 – AC Prices Increasing

- . PGAC 58-28 specified, 3,000 tonnes of HL3 @ 5.2% AC (156.0 tonnes AC)
- . Price index on tender closing \$330/tonne (PG 58-28)

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- . Price Index on actual paving dates - \$365/tonne (PG 58-28)
 - . Payment adjustment to be paid to the Contractor:
 $(\$365 - \$15) - \$330 \times 156 \text{ tonnes AC} = \$20 \times 156 \text{ tonnes AC} = \$3,120.00$

Example 1 – AC Prices Decreasing

- . PGAC 58-28 specified, 4,500 tonnes of HL8 @ 4.6% AC (207.0 tonnes AC)
- . Price index on tender closing \$330/tonne (PG 58-28)
- . Price Index on actual paving dates - \$285/tonne (PG 58-28)
- . Payment for hot mix items reduced by:
 $\$330 - (\$285 + \$15) \times 207 \text{ tonnes AC} = \$30 \times 207 \text{ tonnes AC} = \$6,210.00$