



Report to: General Committee

Report Date: February, 2013

SUBJECT: Staff Awarded Contracts for the Month of January 2013
PREPARED BY: Alex Moore, Ext. 4711

RECOMMENDATION:

1. THAT the report entitled “Staff Awarded Contracts for the Month of January 2013” be received;

And that Staff be authorized and directed to do all things necessary to give effect to this resolution

EXECUTIVE SUMMARY:

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 By-Law delegate’s authority to staff to award contracts with a monthly information report required to be submitted to Council by the Treasurer for all contracts awarded by staff >\$50,000

PURPOSE:

To inform Council of contracts awarded by staff for the Month of January 2013 as per Purchasing By-Law 2004-341 as listed below.

Community & Fire Services

| Award Details | Description |
|-----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Highest Ranked / Lowest Priced Supplier | <ul style="list-style-type: none"> • 305-Q-12 Consulting Engineering Services for Streetlight Underground Cable Condition Inspection Program (2013) |
| Preferred Supplier | <ul style="list-style-type: none"> • 284-S-12 Civic Centre and Markham Theatre - BAS Service Agreement Renewal • 025-S-13 Cornell FF&E Health and Wellness Strength Equipment |

Corporate Services

| Award Details | Description |
|------------------------|----------------------------------------------------------------------------------------------------------------|
| Lowest Priced Supplier | <ul style="list-style-type: none"> • 070-R-12 Supply and Delivery of Paper |
| Preferred Supplier | <ul style="list-style-type: none"> • 315-S-12 WSIB Excess Workers Compensation Insurance – 2013 |

Development Services

| Award Details | Description |
|--------------------|---------------------------------------------------------------------------------------------------------------|
| Preferred Supplier | <ul style="list-style-type: none"> • 030-S-13 Smart Commute 404-7 Program - Contract Extension |

19/02/2013

20/02/2013

X

Joel Lustig
Treasurer

X

Trinela Cane
Commissioner, Corporate Services



STAFF AWARD REPORT

| | |
|--------------|-----------------------------------------------------------------------------------------------------------------------------|
| To: | Brenda Librecz, Commissioner, Community & Fire Services |
| Re: | 305-Q-12 Consulting Engineering Services for Streetlight Underground Cable Condition Inspection Program (2013) |
| Date: | January 9, 2013 |
| Prepared by: | Shipra Ahluwalia, Senior Asset Coordinator, Asset Management ext. 2747 Patti Malone, Senior Construction Buyer ext. 2239 |

PURPOSE

To obtain approval to award the contract Streetlight Underground Cable Condition Inspection Program for 2013.

RECOMMENDATION

| | | |
|------------------------------|------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|
| Recommended Supplier | METSCO (Highest Ranked/Lowest Priced Supplier) | |
| Current Budget Available | \$ 52,900.00 | 750-101-5699-13344 Streetlight Underground Cable Condition Inspection (2013) |
| Less cost of award | \$ 50,806.40 | 36 Km of length of Underground Cable Condition Inspection Contingency (+4.1%) Total Cost of Award (Inclusive of HST) |
| | \$ 2,093.60 | |
| | \$ 52,900.00 | |
| Budget Remaining after award | \$ 0.00 | |

BACKGROUND

As the City's infrastructure ages, it is necessary to carry out condition inspection of assets in order to predict the future maintenance costs and provide reliable life cycle costing. In order to achieve this effectively, the City has started a new initiative to investigate the condition of underground streetlight cables within the older areas of City and recommend the required rehabilitation program.

BID INFORMATION

| | |
|---------------------------------|------------------------------------|
| Advertised | ETN (Electronic Tendering Network) |
| Bids closed on | December 21, 2012 |
| Number picking up bid documents | 10 |
| Number responding to bid | 3 |

PROPOSAL EVALUATION

The Evaluation Team (Team) for this RFP was comprised of staff from the Asset Management Department with Purchasing staff acting as the facilitator.

The proposal were evaluated on pre-established evaluation criteria as list in the RFP: (15%) Experience/Past performance of consulting firm, (20%) qualification and experience of project manager and project team and (35%) Project delivery and (30%) price, total 100%, with resulting scores as follows:

Scoring:

| Suppliers | Score (out of 100) | Rank Results |
|---------------|--------------------|--------------|
| METSCO | 88.6 | 1 |
| MMM Group | 83.5 | 2 |
| Lumentech | 63.1 | 3 |

Note: The consultants bid prices ranged from to \$112,902.72 to \$201,484.80 for 80 km length of cable inspection.

Scoring (Continued)

Metsco, the lowest priced supplier scored highest on the technical submission demonstrating a thorough understanding of the project and its requirements. Their proposal demonstrated to the City’s satisfaction that they have the experience to undertake the project and they have a strong understanding of the project deliverables, key issues and challenges resulting in an overall higher ranking.

Since the total bid price exceeded the budget which was for 80km, only 36 km of the cable length will be inspected and recommended for approval in 2013. Staff will request for additional funds in 2014 capital budget to cover the rest of the cables in older areas. The work is not a safety concern, however is required to predict the future maintenance requirement and to reduce maintenance costs due to cable faults. The award will be based on the unit price of \$1,386.88/km.

FINANCIAL CONSIDERATIONS (Including HST)

| Account Name | Account # | Budget Amount | Budget Available | Amount to be allocated for this Work | Contingency | Budget Remaining |
|-------------------------------------------------------------|--------------------|----------------------|-------------------------|---------------------------------------------|--------------------|-------------------------|
| Streetlight Underground Cable – Condition Inspection (2013) | 750-101-5699-13344 | \$52,900 | \$52,900 | \$50,806.40 | \$2,093.60 | \$0 |
| Total | | \$52,900 | \$52,900 | \$50,806.40 | \$2,093.60 | \$0 |



STAFF AWARD REPORT

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|--------------|--------------------------------------------------------------------------------------------|
| To: | Andy Taylor, Chief Administrative Office |
| Re: | 284-S-12 Civic Centre and Markham Theatre BAS Service Agreement Renewal |
| Date: | January 4, 2013 |
| Prepared by: | Brian Millar, Civic Centre Coordinator, ext. 6190 Patti Malone, Senior Buyer, ext. 2239 |

PURPOSE

To obtain approval to award the renewal of the building automation system (BAS) service contract for the Civic Centre and Theatre.

RECOMMENDATION

| | | |
|-----------------------------------|---------------------------------------|----------------------------------------|
| Recommended Supplier | Johnson Controls (Preferred Supplier) | |
| Current Budget Available | \$ 96,653.00 | See 'Financial Considerations' |
| Less cost of award | \$ 22,622.42 | 2013 Inclusive of HST* |
| | \$ 23,301.08 | 2014 Inclusive of HST* |
| | \$ 24,000.11 | 2015 Inclusive of HST* |
| | \$ 69,923.61 | Total Award Inclusive of HST |
| Budget Remaining after this award | \$ 74,030.58 | Balance remaining in the 2013 Budget** |

*Subject to Council approval of the annual operating budgets.

** The remaining balance to be used for other contracted services and building maintenance requirements as budgeted for within these accounts.

Note: 2014 and 2015 are subject to a price increase of 3%.

Staff further recommends:

That the tendering process be waived in accordance with Purchasing By-Law 2004-341, Part II, Section 7 (b) where there is only one source of supply for the goods to be purchased.

BACKGROUND

Johnson Controls has been the HVAC control system and building automation system (BAS) service provider for the Civic Centre for the last 21 years and for the Theatre for the last 11 years. The current BAS control software allows the building energy to be managed through modules and has the ability to control individual systems. The system manages the mechanical, electrical and air condition control systems in the two buildings and allows the building operator to control the system from their desktop or cell.

Monthly maintenance checks are required to ensure that both the mechanical and ventilation control systems are running efficiently. The contract is for software upgrades, problem solving, and inspections for all equipment control points. It is also to solve any errors or faults, equipment schedules, re-calibrations of alarm and system set points, to backup programming and make any recommendations for required repairs.

In 2009, Staff issued a bid to the market to confirm if any other suppliers could undertake these monthly checks. Staff confirmed through this process and discussions with other suppliers that Johnson controls software system is proprietary to them and only their internally trained staff are certified to manage the system.

FINANCIAL CONSIDERATIONS

| Account # | Description | 2013 Budget* | Less 2013 Cost of this award | Remaining Balance after award |
|--------------|-----------------------------------------|---------------|------------------------------|-------------------------------|
| 530-998-5410 | Theatre, Building Maintenance | 35,500 | 1,571 | 33,929 |
| 750-751-5399 | Civic Centre, Other Contracted Services | 61,153 | 21,052 | 40,101 |
| | Total | 96,653 | 22,623 | 74,030 |

*Subject to Council approval of the 2013 operating budget



STAFF AWARD REPORT

| | |
|--------------|------------------------------------------------------------------------------------------------------|
| To: | Andy Taylor, Chief Administrative Officer |
| Re: | 025-S-13 Cornell FF&E Health and Wellness Strength Equipment |
| Date: | January 23, 2013 |
| Prepared by: | Warren Watson, Community Program Coordinator, Ext. 4341 Rosemarie Patano, Senior Buyer, Ext. 2990 |

PURPOSE

To obtain approval to award the purchase of fitness equipment for Cornell Community Centre.

RECOMMENDATION

| | | |
|-----------------------------------|----------------------------------------------------------------------|--------------------------------------------------|
| Recommended Supplier(s) | Technogym Fitness (Preferred Supplier – Technogym Fitness Equipment) | |
| Current Budget Available | \$ 1,250,415.00 | 070-5350-10556-005 Cornell CC&L FFE – Recreation |
| Less Cost of award | \$ 79,560.56 | Inclusive of HST impact |
| Budget Remaining after this award | \$ 1,170,854.44 | * |

* The remaining balance of \$1,170,854.44 in account 070-5350-10556-006 will be applied to other FFE requirements as budgeted for within this respective account.

Staff further recommends:

THAT the tendering process be waived in accordance with Purchasing By-Law 2004-341, Part II, Section 7 Non Competitive Procurement, item 1 (e) where the City is acquiring specialized equipment, in which case the sources of supply may be identified based on technical specifications prepared by the User Department staff;

BACKGROUND

This recommended award is for the supply and delivery of Technogym strength fitness equipment for the Cornell Community Centre. Technogym products are well known in the industry and currently exist in our own fitness facilities. Their products are durable and user friendly, and are equal to or better than other products we have in our facilities (Centennial Community Centre and Thornhill Community Centre). With the purchase of this equipment, the City is maintaining the variety of the current models that are part of the City’s current strength training line and that will aesthetically complement with the other products the City offers.

The recommended health and wellness fitness equipment is as follows:

| Item No. | Quantity | Manufacture | Model | Description |
|----------|----------|-------------|-----------|--------------------------------------|
| 1 | 1 | Technogym | Technogym | Kinesis One unit |
| 2 | 1 | Technogym | Technogym | Arke Bundle |
| 3 | 1 | Technogym | Technogym | Element Chest Press & Iso Control |
| 4 | 1 | Technogym | Technogym | Element Low Row & Iso Control |
| 5 | 1 | Technogym | Technogym | Element Shoulder Press & Iso Control |
| 6 | 1 | Technogym | Technogym | Element Leg Press & Iso Control |
| 7 | 1 | Technogym | Technogym | Element Leg Extension & Iso Control |
| 8 | 1 | Technogym | Technogym | Element Leg Curl & Iso Control |
| 9 | 1 | Technogym | Technogym | Kinesis station Press |
| 10 | 1 | Technogym | Technogym | Kinesis station Overhead press |
| 11 | 1 | Technogym | Technogym | Kinesis station Low Pull |
| 12 | 1 | Technogym | Technogym | Kinesis Station Step |
| 13 | 1 | Technogym | Technogym | Kinesis station High Pull |
| 14 | 1 | Technogym | Technogym | Kinesis Core Station |

RATIONALE

Technogym is a well respected player in the fitness industry. They are the sole supplier of fitness equipment to all Olympic and Pan Am Games Athletes Training Centres, making them a very reputable brand and forward thinking company. The Technogym line of equipment is comparable on many levels to the brands we currently have in our facilities (Precor, Stairmaster /Nautilus, & Life Fitness). Additionally this supplier includes a unique medical application that will be required for the relationships that will be established at Markham Stouffville Hospital.

Unique Key Product Features of Technogym & The Wellness System

- 100% DATA COLLECTION - The Wellness System Key can be used throughout your facility and uses wireless technology to both gather and communicate data related to every activity – from the moment a member enters your facility to the moment they leave.
- FULLY PROGRAMMABLE – Programmable centrally or by trainers at their own workstations, the Wellness System can provide each member with a customised programme to follow.
- CUSTOMER RELATIONSHIP MANAGEMENT SOFTWARE – Either at an individual or an aggregate level, we can view total member and equipment activity at any time.

Technogym is the sole supplier of Technogym products; there are no other companies that can provide this brand of Strength equipment or systems. Technogym are well established product lines in the fitness industry, well respected for their performance, durability and functionality. These systems are currently in use at the Centennial and Cornell Fitness Centres. The equipment represents the standard for City Fitness Centres. Use of Technogym equipment at the new Cornell Fitness Centre is consistent with the standard.

Pricing for Technogym strength equipment are comparable to other similar but not equal product lines. Based on a proven track record in the two existing Markham fitness facilities; Technogym strength pieces have proven to be excellent value in terms of performance, durability and member satisfaction. Markham is a preferred customer with Technogym and as such receives up to 30% discount off of the regular commercial price list.

ENVIRONMENTAL CONSIDERATIONS

Since 2003 Technogym has put in place a number of manufacturing accommodations, in accordance to UNI ISO 14001 certification requirements, primarily aimed at product and process environmental compatibility. To highlight Technogym green policies and make their customers aware of their eco-friendly choice when purchasing equipment, Technogym have designed a special green logo with the main criteria forming the basis of development of Technogym products during their entire life cycle. These are the main drivers Technogym follows to manufacture and offer greener products to the market.

Their product line features totally self-powered products that self-generate the energy necessary to function when users are exercising on the machine. Additionally, their products are built with highly renewable – more than 95% in weight - materials (plastic and metal). Also, they use water-based instead of solvent based paint and avoid chrome plating. The easy and simple process of disassembly of the components allows us the salvage of secondary raw materials at the end of the lifecycle. Technogym products have a very long average life, enhanced further by the second-hand market. This allows us to reduce raw materials use and product disposal.



STAFF AWARD REPORT

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|--------------|-------------------------------------------------------------|
| To: | Andy Taylor, Chief Administrative Officer |
| Re: | 070-R-12 Supply and Delivery of Paper |
| Date: | January 2, 2013 |
| Prepared by: | Michelle Zhu, Senior Buyer / Analyst, Purchasing, Ext. 2025 |

PURPOSE

To obtain approval to award the supply and delivery of paper for a three (3) year contract with renewal options every six (6) months due to potential price fluctuations with paper.

RECOMMENDATION

| | | |
|--------------------------|-----------------------------------------------------------------|------------------------------------------------------------------|
| Recommended Supplier | Unisource Canada Inc. (Highest Ranked / Lowest Priced Supplier) | |
| Current Budget Available | As approved | User Departments' Annual Office Supplies Operating Account #4002 |
| Less cost of award* | \$ 52,000.00 | Year 1 - 2013* |
| | \$ 52,000.00 | Year 1 - 2014* |
| | <u>\$ 52,000.00</u> | Year 1 - 2015* |
| | \$ 156,000.00 | Total |

* Subject to Council approval of the annual operating budget.

Note: The contract term is for three (3) years with potential price adjustments every six (6) months due to pulp prices and suppliers not able to maintain prices longer than six (6) months. Due to the price uncertainty over the term of the contract, Purchasing will compare an Ontario Government paper contract being issued to the market in the summer of 2013 with the opportunity to partner with the Province if it's deemed beneficial to Markham.

BACKGROUND

York Region District School Board, on behalf of the York Purchasing Co-Operative, issued a Request for Proposal (RFP) for the Supply and Delivery of Paper. The following agencies participated in this bid:

1. City of Markham
2. Town of Aurora
3. Town of Richmond Hill
4. Town of East Gwillimbury
5. Town of Georgina
6. Town of Newmarket
7. City of Vaughan
8. Town of Whitchurch Stouffville
9. Township of King
10. Community Care Access Centre
11. York Catholic District School Board
12. York Region District School Board
13. York Region
14. York Regional Police

The RFP included requirements for 25 types of recycled paper with 30%, 50% or 100% recycling content and 7 types of virgin paper. Markham and other municipalities leverage the volumes from the school boards to achieve competitive pricing. Markham purchases only 2% of the total paper contract value and it is advisable to enter into contracts with the 13 other agencies.

BID INFORMATION

| | |
|---------------------------|------------------------------|
| Advertised | Electronic Tendering Network |
| Number of document takers | 17 |
| Number of submissions | 9 |

EVALUATION SUMMARY

The evaluation was based on pre-established evaluation criteria as outlined in the RFP: 40% cost, 30% Organizational strength and stability, 10% Service & Support Capabilities, 10% Quality and 10% Environmental Responsibility with the resulting scores as following:

| Suppliers | Final Evaluation Score |
|----------------------------------|-------------------------------|
| Unisource Canada Inc. | 88.37 |
| Staples Advantage | 88.18 |
| Xerox Canada | 85.4 |
| Ariva, a Division of Domtar Inc. | 84.51 |
| Asca Office Solutions | 83.34 |
| Canon Canada Inc. | 82.94 |
| QRX Technologies | 70.99 |
| Bluewater | 44.1 |
| Arctic Packaging | 33.07 |

Staff further reviewed the financial impact of the 2012 York Purchasing Co-op award compared to the previous contract pricing (July – December 2012) and the paper costs have increased by 1.29%.

ENVIRONMENTAL CONSIDERATIONS

The paper will be EcoLogo which is recognized by Environment Canada and is displayed on products that meet or exceed established criteria for greenhouse gas emissions, water and energy consumption and use recycled fiber.

The paper will also be Forest Stewardship Council (FSC) certified which is an organization established to promote the responsible management of the world's forests. The FSC label provides a credible link between responsible production and consumption of forest products, enabling consumers and businesses to make purchasing decisions that benefit people and the environment as well as providing ongoing business value.

The paper to be purchased through the recommended bidder will be Forest Stewardship Council (FSC) and 100% post consumer recyclable paper. Due to the added environmental benefits and reduction in the ecological footprint, staff recommend purchasing 100% post consumer recyclable paper over 30% or 50% post consumer recyclable paper. Even though 30% or 50% post consumer recyclable paper is lower in costs (estimated to be approximately \$7,000/ year lower), the purchasing of 100% post consumer recyclable paper meets our strategic priorities and provides the following environmental benefits:

- 320 Trees *
- 10,000 kg of solid waste *
- 464,000 litres of water *

* Paper consumption in 2012 and the environmental savings Markham achieved by purchasing 100% in lieu of 50% post consumer recyclable paper

BUSINESS UNITS CONSULTED Sustainability Office and Environmental Services Departments have been consulted and support the continuation of 100% post consumer recyclable paper purchasing as identified above.



STAFF AWARD REPORT

| | |
|--------------|---------------------------------------------------------------------------------|
| To: | Andy Taylor, Chief Administrative Officer |
| Re: | 315-S-12 WSIB Excess Workers Compensation Insurance – 2013 |
| Date: | Dec 17, 2012 |
| Prepared by: | Fred Rich, Senior Business & Risk Analyst Michelle Zhu, Senior Buyer/Analyst |

PURPOSE

To obtain approval to award the 2013 WSIB Excess Workers Compensation Insurance coverage to Jardine Lloyd Thompson (JLT).

RECOMMENDATION

| | | |
|-----------------------------------|---------------------------------------------|----------------------------------------------------------------------------------|
| Recommended Supplier | Jardine Lloyd Thompson (Preferred Supplier) | |
| Current Budget Available | \$658,867.56 | 840 846 5555 (Insurance Premium)* |
| Less cost of award | \$170,770.53 | 2013 premium inclusive of PST |
| Budget Remaining after this award | \$488,097.03 | Balance of funds will be transferred to the insurance reserve at the end of 2013 |

*Pending Council approval

Note: HST does not apply to Insurance premiums in Ontario, Insurance premiums are PST applicable

Finance Staff recommend awarding the 2013 Excess Workers Compensation Insurance to JLT in the amount of \$170,770.53 (inclusive of tax).

In addition, Finance Staff recommend completing an in-depth actuarial analysis in the first quarter of 2013 of the City’s historical WSIB claims to determine the feasibility of continuing the Chubb WSIB coverage.

Staff further recommend that the tendering process be waived in accordance with Purchasing By-Law 2004-341, Part II, Section 7, “(b) where there is only one source of supply for the goods to be purchased;”

BACKGROUND

Since 1999 the City has been a schedule two WSIB employer. As a schedule two WSIB employer, the City pays all WSIB benefits awarded to City employees under the workers’ compensation law. In order to cap the WSIB costs, the City has purchased WSIB Excess Workers Compensation Insurance. The WSIB Excess Workers Compensation Insurance provides coverage for extraordinary claims resulting in WSIB benefits in excess of \$1 million to a maximum of \$15 million per claim.

In 2011, through a staff award report, the 2012 WSIB Excess Workers Compensation Insurance was awarded to JLT in the amount of \$147,714 (inclusive of PST), a 0% increase over the 2011 premium. The driver for the 2012 0% increase was that JLT waived the majority of their commission. In this same report, staff identified that Chubb (the insurance underwriter) agreed to improve their policy wordings to provide better coverage for Fire Fighter presumptive legislation claims. Early in 2012, Chubb did issue a policy endorsement and according to JLT this endorsement does improve the Fire Fighter presumptive coverage. A Council resolution from this same staff report was “that staff send Members of Council a memo outlining the number of claims submitted and what the insurance covers.” This memo was circulated by Human Resources & Finance to Mayor & Council on February 21, 2012 outlining the WSIB claim history and further explaining the Chubb coverage.

DISCUSSION**Premium**

During the 2013 renewal process, JLT advised staff that Chubb is still the only Excess Workers Compensation Insurance provider in Ontario. The initial renewal premium presented to JLT from Chubb was \$184,468 (inclusive tax), however JLT negotiated a premium reduction of \$13,697 reducing the premium to \$170,771 (inclusive tax) which represents a 7.4% decrease over the initial proposed premium and a 15.6% (\$23,057) increase over the 2012 premium. To achieve the \$13,297 reduction, JLT agreed to switch its commission from a percentage based commission (approximately 10%) to a flat fee commission of \$8,000 (plus tax). This change in commission represents a 53% reduction in the standard commission rate. In addition to the above, Finance Staff also investigated the potential of limiting policy coverage to those departments with the highest risk. However staff were advised by Chubb (through JLT) that coverage must apply to all schedule two staff.

The three main drivers of the 15.6% premium increase from 2012 are; the 3.9% increase in the City's assessable earnings (which the premium is based on), 5.6% increase in the premium rate (general increase) and the 5.8% increase due to the reinstatement of a reduced commission by JLT (in 2012 the majority of their commission was waved).

Claims Experience

The City's annual approved WSIB claims (for the years 2009 to 2012) is 42, at an average annual cost of \$240,000. The City's firefighter presumptive claims have been main driver of these costs. The presumptive claims are prescribed by regulation and include heart injuries sustained on or after January 1, 1960 and diseases (including cancer) diagnosed on or after that date and are presumed to be due to the firefighter employment, unless the contrary is shown. Currently the City has three active firefighter presumptive claims. As of May 2012, these claims have cost the City \$937,000 (does not include administrative, physician fees or "wage top up" costs).

The City hires an actuarial consultant (Nexus) to review the City's WSIB workplace injury claims and Nexus has stated the following:

A catastrophic claim is one costing in excess of \$2 million. Most catastrophic claims have more than \$1,000,000 of health care. Catastrophic claims are possible but not very probable. Of the 450 municipalities in Ontario, it is estimated that one municipality will have a catastrophic claim in a 5 year period. Many of the catastrophic claims in the last 30 years involve policemen being shot, resulting in a paraplegic or quadriplegic condition. Severe burn cases can also be catastrophic. Multiple injuries resulting from one incident are less likely than catastrophic claims. Medical costs of a catastrophic injury can peak at \$1.5 million in the first year, these types of costs are usually associated to a severe burn cases. In addition to the first year cost, the maximum long term care cost of a catastrophic claim could be \$100,000 annually.

RECOMMENDATION

Finance Staff recommend awarding the 2013 Excess Workers Compensation Insurance to JLT in the amount of \$170,770.53 (inclusive of tax).

In addition, Finance Staff recommend completing an in-depth actuarial analysis in the first quarter of 2013 of the City's historical WSIB claims to confirm the feasibility of continuing the Chubb WSIB coverage in future years. The analysis will project the future WSIB claim costs and identify a funding strategy including the cash flow model that will be required if the City were to continue or discontinue the Chubb WSIB coverage. Finance Staff will report back with their recommendation on where to continue or discontinue the Chubb coverage and the recommended funding strategy.

Staff further recommend that the tendering process be waived in accordance with Purchasing By-Law 2004-341, Part II, Section 7, "(b) where there is only one source of supply for the goods to be purchased;"

FINANCIAL ATTACHMENT

| Account Description | Account # | Original Budget* | Budget Available* | Less: Cost of Award | Budget Remaining after Award* |
|----------------------------|------------------|-------------------------|--------------------------|----------------------------|--------------------------------------|
| Insurance Premium | 840 846 5555 | 1,809,523.00 | 658,867.56 | 170,770.53 | 488,097.03 |
| Total | | \$1,809,523.00 | \$658,867.56 | \$170,770.53 | \$488,097.03 |

*Pending Council approval



STAFF AWARD REPORT

| | |
|--------------|-----------------------------------------------------------------------------------------------------------|
| To: | Andy Taylor, Chief Administrative Officer |
| Re: | 030-S-13 Smart Commute 404-7 Program - Contract Extension |
| Date: | January 23, 2013 |
| Prepared by: | Rachel Prudhomme, Manager, Special Projects Ext: 2849 Tony Casale, Senior Construction Buyer Ext: 3190 |

PURPOSE

To award the 2013 contract for ‘Commuter Services’ to Smart Commute 404-7, which is managed by the Markham Board of Trade, to provide commuter options and travel demand management programs and services to businesses in the City of Markham under the Smart Commute 404-7 Transportation Management Association (TMA) banner.

RECOMMENDATION

| | | |
|-----------------------------------|------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|
| Recommended Supplier | Smart Commute Markham – Richmond Hill (Preferred Supplier) | |
| Current Budget Available | \$ 56,328.00 <u>\$283,300.00</u> \$339,628.00 | 640-101-5699-10060 Other Professional Fees 640-101-5699-12053 Transportation Demand Management |
| Less cost of award | \$ 56,328.00 <u>\$ 18,672.00</u> \$ 75,000.00 | 640-101-5699-10060 Other Professional Fees 640-101-5699-12053 Transportation Demand Management Total Cost of Award |
| Budget Remaining after this award | \$264,628.00 | * |

* The remaining balance to be used for other transportation demand management requirements as budgeted for within the account.

Staff further recommends:

THAT the tendering process be waived in accordance with Purchasing By-Law 2004-341, Part II, Section 7 Non Competitive Procurement, item 1 (c) “When the extension of an existing contract would prove more cost-effective or beneficial;”

BACKGROUND

The Markham Board of Trade provides commuter options and transportation demand management (TDM) programs and services to businesses in the City of Markham under the Smart Commute 404-7 Transportation Management Association. The City of Markham Engineering Department since 2006 has budgeted \$75,000 for this program. The other funding partners of the Smart Commute 404-7 program include; the City of Richmond Hill, Region of York and Metrolinx.

To ensure value for the contract, the Markham Board of Trade invoices the City on a monthly basis with activity reports and detailed invoices which record the level of effort and corresponding results for the invoice period. Both Staff and Council are represented on the advisory committee with updates being provided to Council on the various programs.