



Report to: General Committee

Date Report Authored: February 22, 2012

SUBJECT:	Contract Extension for 013-T-09 Asphalt Maintenance and 014-T-09 Concrete Maintenance
PREPARED BY:	Morgan Jones, Ext, 2285 Patti Malone, ext. 2239

RECOMMENDATION:

- 1) THAT the report entitled “Contract Extension for 013-T-09 Asphalt Maintenance and 014-T-09 Concrete Maintenance ” be received;
- 2) AND THAT contract 013-T-09 Asphalt Maintenance be extended to D. Crupi & Sons Ltd for an additional season (April 1, 2012 to December 31, 2012) in the estimated annual amount of \$1,025,500 inclusive of HST;
- 3) AND THAT 014-T-09 Concrete Maintenance be extended to V.T.A. Construction Limited for an additional season (April 1, 2012 to December 31, 2012) in the estimated annual amount of \$902,220 inclusive of HST;
- 4) AND THAT the tendering process be waived in accordance with Purchasing By-Law 2004-341, Part II, Section 7 (1) (c) which states “when the extension of an existing contract would prove more cost-effective or beneficial”;
- 5) AND THAT funds be provided from the budget accounts as listed in the Financial Considerations section of this report in the amount of \$1,927,720, inclusive of HST impact;
- 6) AND THAT this report be brought forward to the March 20th, 2012 Council meeting for approval;
- 7) AND THAT Staff be authorized and directed to do all things necessary to give effect to this resolution.

PURPOSE:

The purpose of this report is obtain approval to extend contract(s) 013-T-09 Asphalt Maintenance and 014-T-09 Concrete Maintenance for an additional season at the same 2009 itemized pricing.

BACKGROUND:

Contract 013-T-09 is for the annual asphalt maintenance program which includes restoration of asphalt infrastructure throughout the Town of Markham utilizing various methods including asphalt grinding or excavation followed by asphalt patching inclusive of locations on roads, parks, municipal parking lots, pathways and in support of railway crossing improvements.

Contract 014-T-09 is for the annual concrete maintenance program which includes removal and replacement of deficient concrete curb and sidewalk infrastructure throughout the Town of Markham inclusive of roads, parks, municipal parking lots pathways and in support of railway crossing improvements.

Both of these contracts dove-tail with the Interlock repairs contract which provides support to final restoration of these repairs as well as similar repairs within the Road Rehabilitation Program.

Annual Performance Evaluations of both contractors indicate excellent overall contract ratings. Contractors are scored against a series of evaluating criteria such as Adherence to Specification, Standards and Workmanship, Safety Procedures, Public Relations, Adequate and Proper Equipment/Supervision, Commencement/Cleanup/Completion. Both VTA Construction Limited and D Crupi and Sons Ltd. have received very strong evaluations in each year of ownership of their respective contracts. As well, it is important to recognize both contractors as well as the interlock contract transition well as scheduled activities often inter-connect to ensure location repairs are expedited quickly with as minimal impact to affected residents and businesses as possible.

OPTIONS/ DISCUSSION:

In 2009, Council approved the award of contract 013-T-09 to D. Crupi & Sons for a period of 3 years (seasons) (April 1, 2009 – December 31, 2011).

Staff is seeking approval to extend the contract for an additional one (1) season (April 1, 2012 – December 31, 2012) under the Town's Purchasing By-law 2004-341, Part II, Section 7 (1) (c) at the same 2009 itemized pricing.

Similarly in 2009, Staff approved the contract 014-T-09 to V.T.A. Construction Limited for a period of 3 years (seasons) (April 1, 2009 – December 31, 2011).

Staff is seeking approval to extend the contract for an additional one (1) season (April 1, 2012 – December 31, 2012) under the Town's Purchasing By-law 2004-341, Part II, Section 7 (1) (c) at the same 2009 itemized pricing.

Contract 013-T-09

D. Crupi & Sons has been the successful bidder for the Asphalt Maintenance contract on the last 3 tenders (2003, 2006 and 2009). On the last tender released to the market in 2009, D. Crupi & Sons was 7% lower than the 2nd lowest priced bidder and 17% lower than the 3rd lowest price bidder. In comparing previous tenders, the unit prices within the same contracts had increased by approximately 25%. E.g. 2006 price was \$100 whereas 2009 price was \$125

Therefore, by extending the contract for one (1) additional season, the Town will maintain the 2009 itemized pricing for 2012 and eliminate any potential cost increase by going to the market.

Contract 014-T-09

V.T.A. was the successful bidder for the Concrete Maintenance in 2006 and in 2009 they were awarded the work due to non-performance of the low bidder.

On the last tender released to the market in 2009, V.T.A. was not awarded the contract originally, as they were 2nd lowest bidder on bid opening. The low bidder who was awarded the contract could not meet the requirements under the bid document and was subsequently terminated within 3 months due to non-performance. In comparing V.T.A. price in 2009 with the other bidders, they were between 3 – 60% lower on bid closing.

In comparing previous tenders, the unit price within the same contract increased by approximately 16%. E.g. 2006 price was \$100 whereas 2009 price was \$116

Therefore, by extending the contract for one (1) additional season, the Town will maintain the 2009 itemized pricing for 2012 and eliminate any potential cost increase by going to the market.

Staff will evaluate options on either going to the market or extend the contracts further depending on the economic benefits that provide maximum value to the Town.

FINANCIAL CONSIDERATIONS AND TEMPLATE:

Account Name	Account #	Budget Amount	Spent to Date	Committed to other contracts	Budget Available	Allocated to 013-T-09 (Asphalt)	Allocated to 014-T-09 (Concrete)	Budget Remaining
Parking Lot Resurfacing 2011	050-6150-11289-005	223,168	81,593	126,800	14,775	14,775	-	0
Parking Lot Resurfacing 2012	050-6150-12227-005	218,100	-	114,111	103,989	88,989	15,000	0
Paving Pathways/Facilities 2009	059-6150-9186-005	106,100	90,109	-	15,991	15,991	-	0
Paving Pathways/Facilities 2010	059-6150-10223-005	108,200	47,694	-	60,506	60,506	-	0
Paving Pathways/Facilities 2011	059-6150-11273-005	108,200	15,001	-	93,199	93,199	-	0
Paving Pathways/Facilities 2012	059-6150-12251-005	112,300	-	-	112,300	87,300	25,000	0
Railway Crossing Improvement 2012	700-101-5399-12231	54,000	-	-	54,000	54,000	-	0
Asphalt Repairs 2012	700-501-5304	942,739	-	80,000	862,739	562,739	300,000	0
Localized Repair Curb/Sidewalk 2011	050-6150-11293-005	541,200	531,380	-	9,820		9,820	0
Localized Repair Curb/Sidewalk 2012	050-6150-12229-005	539,900	-	-	539,900		539,900	0
Watermain Break Repairs 2012	760-100-5401	44,500	-	-	44,500	35,200	9,300	0
Sanitary Sewer Repairs 2012	760-500-5401	16,000	-	-	16,000	12,800	3,200	0
Totals:		3,014,407	765,777	320,911	1,927,719	1,025,500	902,220	-

HUMAN RESOURCES CONSIDERATIONS

Not applicable

ALIGNMENT WITH STRATEGIC PRIORITIES:

Not applicable

BUSINESS UNITS CONSULTED AND AFFECTED:

Not applicable

ATTACHMENTS:

RECOMMENDED BY:

3/13/2012

X Paul Ingham

Paul Ingham
Director, Operations

3/13/2012

X 

Brenda Librecz
Commissioner Community & Fire Services