

COMMITTEE OF THE WHOLE – MAY 10, 2011

EXTENSION OF TENDER T08-057 FOR WINTER ROAD MAINTENANCE SERVICES

Recommendation

The Commissioner of Engineering and Public Works recommends:

That notwithstanding that a review of programs and service levels is to be undertaken, tender T08-057 for the provision of winter road maintenance services (road ploughing, road salting, anti-icing, and residential driveway windrow clearing), be extended for a two year period, as per the provisions in the contracts.

Contribution to Sustainability

Efficient and effective winter road maintenance services contribute positively to the economic vitality and sustainability of the City.

Economic Impact

Tender T08-057 was awarded in 2008 and is for a three year fixed period with two optional extension periods of two years each. The initial 3 year contract period has just ended as of March 31, 2011. The first three years of the contract were at a fixed price; however, the optional extension periods allow for an economic increase relative to the annual rate of change in the Consumer Price Index, using June as the adjustment month, with a cap of 5% in any given year.

In an average winter period, there are 5 full-scale road ploughing and windrow clearing events, and 43 full-scale salting and anti-icing events. There are also 142 days of standby costs for salting and anti-icing equipment, and 121 days of standby costs for windrow clearing and road ploughing equipment. For 2011, contracted winter maintenance costs are estimated to be close to \$5,941,000. The cost of road salt and liquid anti-icing chemicals are budgeted separately and are not part of these contracts. The actual total annual winter maintenance costs are dependant upon number and severity of the winter storm events.

Funds have been included in the approved 2011 Operating Budget to cover the estimated rate of inflation relative to the current contract costs, and were based on the existing services continuing to be provided.

Communications Plan

Not applicable.

Purpose

To extend the winter road maintenance contracts, for a two year period, as per the provisions of the contracts.

Background - Analysis and Options

Tender 08-057 was awarded in 2008, to commence with the 2008/09 winter season. As previously noted, the contract contains two extension provisions, each for a two year period. The tender contained two parts based on a geographical split of the City. Based on the tender prices, the contract was awarded to two separate contractors. Armking Contracting Limited provides winter road maintenance services to the area east of Weston Road, and Gazzola Paving Ltd. provides services to the area west of Weston Road.

Over 130 pieces of equipment are used to provide road salting, road ploughing, anti-icing, and residential driveway windrow clearing services. The tender has specific requirements in it in terms of type of equipment and its age. For example, no plough truck or salt spreader unit can be more than 15 years old, and no motor grader can be more than 25 years old. In addition to age limits on equipment, windrow clearing units are somewhat of a specialized piece of equipment, requiring modifications to backhoes and tractors to perform this work.

Notwithstanding Council has committed to a thorough program review starting later in 2011, the current tender has expired and time is of the essence. In order for the current contractors to prepare for the 2011/12 winter season, equipment needs to be sourced now in order to ensure the age of the fleet complies with the provisions of the contract. Both contractors have indicated they are willing to extend the contracts, and provide the existing services.

Should Council wish to amend the current services provided for winter road maintenance, a new tender would be required. Given the large quantity of equipment needed, and the specialized nature of some of this equipment, having all of the necessary equipment in place to start the 2011/12 winter season may be doubtful, especially taking into account the tender process and the shortened time that would remain for a contractor to source the necessary equipment.

It is for the above noted reasons that staff recommend extending T08-057 for a two year period, as per the provisions of the contracts, to provide for road salting, road ploughing, anti-icing, and residential driveway windrow clearing services. This will allow time for Council to review the services provided to the residents, and should changes in services be recommended, they can be incorporated in a new tender document for services starting in the 2013/14 season. Alternatively, should Council wish to continue with providing the current level of service, a second two year extension of the current contract is available for the 2013/14 and 2014/15 seasons.

Relationship to Vaughan Vision 2020/Strategic Plan

This report is consistent with the priorities previously set by Council and ties into the following Vaughan Vision 20/20 Goals and Objectives:

Goal: Service Excellence
Objective: Pursue Excellence in Service Delivery
Objective: Enhance and Ensure Community Safety, Health & Wellness

Regional Implications

Not applicable

Conclusion

In order to ensure the existing winter road maintenance services are provided for the 2011-2012 winter season, and the necessary equipment is in place, it is recommended that T08-057 be extended for a two year period, as per the provisions of the contracts.

Attachments

N/A

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Respectfully submitted,

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