

COMMITTEE OF THE WHOLE - JUNE 5, 2012

AWARD OF TENDER T12-122 - SPRAY PATCHING OF SURFACE TREATED ROADS

Recommendation

The Commissioner of Engineering & Public Works, in consultation with the Acting Director of Purchasing Services, recommends:

1. That Tender T12-122 be awarded to MSO Construction Limited, Etobicoke, Ontario; and,
2. That the Mayor and Clerk be authorized to sign the necessary documents.

Contribution to Sustainability

This program has a direct impact on extending the life of the City's 28 kilometres of surface treated roads.

Economic Impact

Sufficient funds have been approved in the 2012 Operating Budget to perform this work

Funds to cover the cost of the spray patching of surface treated roads are budgeted for under the road platform maintenance account. This account covers various road repair activities, such as asphalt patching with hot and cold mix, as well as crack routing and sealing. The 2012 budget amount that is allocated to the various platform maintenance related activities is \$748,114. The estimated value of this contract is \$159,386.50 per annum, including applicable taxes.

Tender prices have increased approximately 27% compared to the 2009 contract prices

Comparing the prices bid in the 2009 tender for this work against the prices bid in this current tender, there is an overall unit price increase of 27% (\$141,050 in 2012 vs. \$111,000 in 2009). This is reflective of the increased cost of aggregates and petroleum based products. The tender is based on an estimated quantity of 50,000 litres of RS-1 emulsion and 500 tonnes of stone chip materials being used annually to repair the City's surface treated roads. The actual quantities of work, and resulting activity costs may vary, as more or less materials may be required to restore the deficiencies identified.

The contract is for a two years and six months (2.5 year) term, with two one year optional extension periods. The estimated total value of this contract is approximately \$796,932, based on the potential five year life of this contract.

Communications Plan

Tender T12-122 was advertised on the City Page, Bidding, and the OPBA website, and closed May 7, 2012.

Purpose

To award tender T12-122 "Spray Patching of Surface Treated Roads".

Background - Analysis and Options

Spray patching helps extend the life of the City's surface treated roads

The Public Works Department uses contracted forces to perform spray patching services to repair the City's surface treated roads, and bring the road platform back to acceptable standards. Each year, staff compiles an inventory of the areas to be repaired and prioritizes these locations based on the type and severity of the deficiencies.

The work performed by the contractor includes applying a liquid asphalt emulsion to the road surface, topping it with stone chips, and compacting it. This process is repeated a number of times over the affected areas to build up and eliminate wheel ruts and depressions, repair shoulder breaks, seal cracks, and smooth uneven areas. This type of repair work helps to extend the life of surface treated roads, and improves the overall ride quality of the road.

MSO Construction was the sole bidder on this tender

Tender T12-122 was advertised in Vaughan Today (City Page), the Electronic Tendering Network, and with the Ontario Public Buyers' Association on April 23, 2012. Tenders closed on May 7, 2012. MSO Construction Limited was the only bidder to pick-up a document as well as the only bidder who submitted a bid. The following are the results of the tender opening:

Contractor	Total Price (excluding taxes)	Total Price (including taxes)
MSO Construction Limited	\$141,050.00	\$159,386.50

The sole bid submitted by MSO Construction Limited was for \$141,050.00 excluding all applicable taxes. The unit prices are firm until December 31st, 2014, while CPI adjustments will be applied to the prices in the optional years, with a 5% ceiling. The optional extension years are at the City's sole discretion, and conditional upon satisfactory performance and sufficient funding.

MSO Construction Limited has a proven track record with the City of Vaughan

MSO Construction had the previous contract for spray patching of surface treated roads in the City of Vaughan, and staff were satisfied with their work performance.

Notwithstanding the costs have increased substantially since the last tender was awarded 3 years ago, it is necessary to perform this work to ensure that the maximum life is achieved from the City's surface treated roads. Therefore, it is recommended that Tender T12-122 be awarded to MSO Construction Limited for spray patching of surface treated roads.

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 2020 Goals and Objectives:

Goal: Service Excellence
Theme: Demonstrate Excellence in Service Delivery

Goal: Organizational Excellence
Theme: Manage Corporate Assets

Regional Implications

There are no Regional implications as a result of this tender award.

Conclusion

The work performed under Tender T12-122 "Spray Patching of Surface Treated Roads" is essential to ensuring the much needed platform maintenance is completed on the City's 28 km of surface treated roads. Therefore, it is recommended that Tender T12-122, be awarded to MSO Construction Limited.

Attachments

N/A

Report prepared by:

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Respectfully submitted,

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Commissioner of Engineering and Public Works

Brian T. Anthony, CRS-S, C. Tech
Director of Public Works