

COMMITTEE OF THE WHOLE - JUNE 16, 2008

AWARD OF TENDER – T08-057 WINTER ROAD MAINTENANCE

Recommendation

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

1. Part I of T08-057 be awarded to Armking Contracting Limited for a three year period (with two optional two-year extension periods for a potential contract period of 7 years);
2. Part II of T08-057 be awarded to Gazzola Paving Limited for a three year period (with two optional two-year extension periods for a potential contract period of 7 years); and,
3. The Mayor and Clerk be authorized to sign the necessary documents.

Economic Impact

The contract is for three years, with two optional extension periods. Based on the lowest bid prices submitted, the estimated contract value for Part I of T08-057 is \$7,726,003.83 for the three year period, including GST. This equates to approximately \$2,452,699.63 per winter season, excluding GST.

The estimated contract value for Part II of T08-057 is \$9,379,112.40 for the three year period, including GST. This equates to approximately \$2,977,496 per winter season, excluding GST.

The contract requires that the bid prices remain firm for the initial 3 year period. The optional extension periods are subject to a price escalation clause based on the annual rate of change as per the Consumer Price Index (CPI), for all items, with a 5% ceiling in any given year.

Based on a 6 year "average winter", the lowest bid prices result in an additional cost per year of approximately \$1.069 million dollars. However, it is important to note that the actual contract value is totally dependant upon the severity of the winter and the total hours worked during a winter season. Therefore, the annual costs may be more or less than indicated above.

Sufficient funds to cover the increased cost of the City's annual winter road maintenance programs will be budgeted for in future Operating Budget submissions.

Communications Plan

Tender T08-057 was advertised on Thursday, May 1, 2008, in the Vaughan Citizen (City page), on OPBA and on the Electronic Tendering Network (ETN), and closed on Friday May 23, 2008.

The City's levels of service with respect to winter maintenance operations are posted on the City's web site. These service levels were reviewed by the City's Legal Department, as well as the City's insurers, and approved by Council on December 18, 2001. In addition, during storm events, updates are posted on the web site for the public to view.

Purpose

To award Parts I and II of Tender T08-057 for Winter Road Maintenance services.

Background - Analysis and Options

In 2000, an RFP was put out for winter road maintenance services. A separate tender was called for City-wide windrow clearing services. As a result of those contract awards, the City's winter road maintenance operations were provided by three Contractors; one in the east, one in the west, and another who provided city-wide driveway windrow clearing services.

Both RFP 00-15 (ploughing and salting), and tender T05-150 (windrow clearing), expired at the end of this past winter season. A new tender, Tender T08-057 for Winter Road Maintenance, was issued with the intention of obtaining one, or at most two, contractors to perform complete winter road maintenance services, including windrow clearing. The tender is for a three year period, with two optional extension periods of two years each. This brings the potential contract length to 7 years.

The successful road winter maintenance contractors are responsible for clearing approximately: 1,805 lane kilometers of both assumed and un-assumed road, including paved, surface treated and gravel surfaces; 600 cul-de-sacs; 4 km of rear laneways; and 70,000 residential driveway entrances. Plough route boundaries dictate the quantity of equipment required to clear City's streets in accordance with the approved service levels.

Hourly operation statistics from the past 6 years were provided to the contractors for information purposes. These values gave the contractors a benchmark for the calculation of their hourly prices for equipment and standby rates. The average number of hours for salting a winter event is 7, and the average number of winter salting events is 43 per winter season. The average number of ploughing hours per event is 12, and the average number of ploughing events is 5 per winter season. As per the previous winter maintenance contracts, the City was divided into two parts for winter maintenance purposes, with the area east of Weston Road forming Part I of the contract, and the area west of Weston Road forming Part II of the contract. The bidders were required to provide prices for both standby and operating, for either Part I or Part II, or both.

New for this tender was the requirement for the contractors to provide an anti-icing unit. Based on the success of the pilot project undertaken by Public Works staff this past winter, this program will be expanded further across the City. Not only does an anti-icing program improve overall road conditions where applied, it also helps reduce the overall amount of road salts required per lane km.

The tender was picked up by 12 companies, and the following 5 companies submitted bids as follows:

COMPANY	PART I (East of Weston Road)	PART II (West of Weston Road)
Gazzola Paving Limited	No Bid	\$9,379,112.40
Armking Contracting Limited	\$7,726,003.83	No Bid
Fowler Construction Company Limited	\$9,596,633.51	No Bid
Fermar Paving Limited	\$9,761,638.95	\$10,396,653.75
D. Crupi & Sons Limited	No Bid	\$9,923,397.75

Purchasing staff have reviewed the bid submissions for mathematical errors.

Both companies, Gazzola and Armking, have successfully provided winter road maintenance services to the City in the past, and both companies are known to staff. Gazzola Paving Limited is using D. Crupi & Sons for the provision of windrow clearing services in the west part of the City, and Armking Contracting Limited is using Windrow Enterprises Inc. for the provision of windrow clearing services in the east portion of the City. Both of these companies have also worked for the City in the past, providing this service.

Relationship to Vaughan Vision 2020

The award of T08-057 will ensure that the following Strategic Objectives are achieved:

“Pursue Excellence in Service Delivery”

“Enhance and Ensure Community Safety, Health & Safety”

“Maintain Assets & Infrastructure Integrity”

Regional Implications

For quite a number of years, the City has provided winter road maintenance services to portions of road under the jurisdiction of the Region of York. The award of this tender will not impact this arrangement.

Conclusion

T08-057 was developed to improve winter maintenance operations, and bring about more efficient management of the City’s winter road maintenance services. By making the contractor responsible for all operations in each area, it is expected that the co-ordination of residential driveway windrow clearing and road ploughing operations will improve. The reduced number of contractors providing winter road maintenance services will make it more efficient for staff to manage the contract, as well as address operational issues that may arise during a storm event.

Based on the bids submitted, it is recommended that Part I of T08-057 be awarded to Armking Contracting Limited, and Part II of T0-8-057 be awarded to Gazzola Paving Limited.

Attachments

N/A

Report prepared by:

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Respectfully submitted,

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Commissioner of Engineering and Public Works

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Director of Public Works