

COMMUNICATIONS

Distributed April 1, 2011

- C1 Memorandum from the Commissioner of Engineering and Public Works, dated March 30, 2011.**
(Refer to Item 9, Report No. 14 of the Committee of the Whole)
- C2 Additional Report from the Commissioner of Engineering and Public Works, dated April 5, 2011.**
(Refer to Item 10, Report No. 14 of the Committee of the Whole)
- C3 CONFIDENTIAL Memorandum from the Director of Legal Services, dated April 1, 2011.**
*(Refer to Item 3, Report No. 15 of the Committee of the Whole (Closed Session))
(for Mayor and Members of Council ONLY)*
- C4 Memorandum from the Commissioner of Legal and Administrative Services and City Solicitor, dated April 1, 2011.**
(Refer to Item 17, Report No. 14 of the Committee of the Whole)

Distributed April 5, 2011

- C5 Memorandum from the City Clerk, dated April 4, 2011.**
(Refer to Item 29, Report 14 of the Committee of the Whole)
- C6 CONFIDENTIAL report of the City Manager, dated April 5, 2011.**
*(Refer to item 6, Report No. 15 of the Committee of the Whole (Closed Session))
(For Mayor and Members of Council ONLY)*
- C7 CONFIDENTIAL memorandum of the City Clerk, April 5, 2011.**
*(Refer to Item 1, Report No. 18 of the Special Committee of the Whole (Closed Session))
(For Mayor and Members of Council ONLY)*



memorandum

DATE: March 30, 2011

TO: Mayor and Members of Council

FROM: Bill Robinson, P. Eng.
Commissioner of Engineering and Public Works

RE: **AWARD OF TENDER T11-018
KING HIGH DRIVE, LAWRIE ROAD, CONCORD ROAD AND
VAUGHAN BOULEVARD
ROAD REHABILITATION AND WATERMAIN REPLACEMENT
WARD 5**

C	1
Item #	9
Report No.	CW #14
COUNCIL - APR. 5, 2011	

Recommendation

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

1. That Tender T11-018, King High Drive, Lawrie Road, Concord Road and Vaughan Boulevard Road Rehabilitation and Watermain Replacement be awarded to Coco Paving Inc. in the amount of \$1,556,758.98, plus applicable taxes;
2. That a contingency allowance in the amount of \$160,000.00, plus applicable taxes be approved within which the Commissioner of Engineering and Public Works or his designate is authorized to approve amendments to the Contract;
3. That a Geotechnical and Material Testing amount of \$16,000.00, plus applicable taxes be approved to ensure compliance with all applicable standards;
4. That a Utility Relocation amount of \$32,000.00, plus applicable taxes be approved; and
5. That the Mayor and City Clerk be authorized to sign the appropriate documents.

Contribution to Sustainability

The road rehabilitation and watermain replacement on the above mentioned streets will ensure that an acceptable level of service by the City's infrastructure is maintained for the health and well being of its citizens.

Economic Impact

The total project cost of \$1,850,000.00, which includes a contingency allowance, geotechnical inspection, material testing, utility relocation and treasury administration falls within the approved budget amount and as such, there is no additional economic impact to the 2010 Capital Budget (Capital Project No. EN-1811-10).

Long range financial implications will include operating and maintenance costs associated with this type of infrastructure which are not quantified at this time, including long term replacement.

Communications Plan

Once the project is awarded, Engineering Services staff will advise the Mayor and Members of Council and will distribute a notice of construction to the affected residents.

Purpose

Council approval to award Tender T11-018, King High Drive, Lawrie Road, Concord Road and Vaughan Boulevard Road Rehabilitation and Watermain Replacement.

Background - Analysis and Options

The work covered under this tender includes the road rehabilitation and watermain replacement on King High Drive, Lawrie Road, Concord Road and Vaughan Boulevard (Capital Project No. EN-1811-10). See Attachment No. 1 for project location. All necessary permits and approvals have been obtained.

This tender was advertised in the Daily Commercial News, on the Ontario Public Buyers Association (OPBA), on Biddingo and on the City webpage and closed on March 16, 2011. A total of 25 sets of bid documents were picked up from the Purchasing Services Department and the following 6 bids were received:

<u>Contractor</u>	<u>Total Bid Amount (excl. H.S.T.)</u>
Coco Paving Inc.	*\$1,556,758.98
614128 Ontario Ltd. O/A Trisan Construction	\$1,759,288.60
Direct Underground Inc.	*\$1,790,633.50
BarraCon Construction Ltd.	\$1,917,699.12
Avertex Utility Solutions Inc.	\$1,934,983.00
Graham Bros. Construction Limited	*\$2,772,162.01

* Corrected for arithmetic error

The estimated cost for this project, including geotechnical inspection and material testing, a contingency allowance, utility relocation, treasury administration and all applicable taxes is \$1,850,000.00 and is calculated as follows:

Coco Paving Inc. Bid Price (excluding H.S.T.)	\$1,556,758.98
Contingency Amount (approx. 10%)	\$ 160,000.00
Geotechnical Inspections and Material Testing (estimated)	\$ 16,000.00
Utility Relocation	<u>\$ 32,000.00</u>
Sub-Total	\$1,764,758.98
H.S.T. (1.76%)	<u>\$ 31,059.76</u>
Total	\$1,795,818.74
Treasury Administration (3%)	<u>\$ 53,874.56</u>
Net Total Cost	\$1,849,693.30

ROUNDED \$1,850,000.00

Engineering Services staff and the City's consultant Morrison Hershfield Limited have reviewed the submitted bids and are satisfied that Coco Paving Inc., which has successfully completed similar work for the City in the past, is deemed qualified to undertake this project. Therefore, it is appropriate to award this contract to the low bidder, Coco Paving Inc.

The engineering estimate for the construction of this project was \$1,650,000.00, excluding H.S.T.

Relationship to Vaughan Vision 2020/Strategic Plan

In consideration of the strategic priorities related to Vaughan Vision 2020, the recommendations of this report will assist in:

- Pursue Excellence in Service Delivery;
- Enhance and Ensure Community Safety, Health & Wellness; and
- Lead and Promote Environmental Sustainability

This report is consistent with the priorities previously set by Council.

Regional Implications

The Regional Municipality of York will be notified of this project.

Conclusion

Staff recommends that this contract be awarded to Coco Paving Inc. in the amount of \$1,556,758.98, plus applicable taxes.

Attachments

1. Location Map


Report prepared by:

Pat Marcantonio, C.E.T., Senior Engineering Assistant, ext. 8468
Vince Musacchio, P. Eng., PMP, Manager of Capital Planning and Infrastructure, ext. 8311

Respectfully submitted,



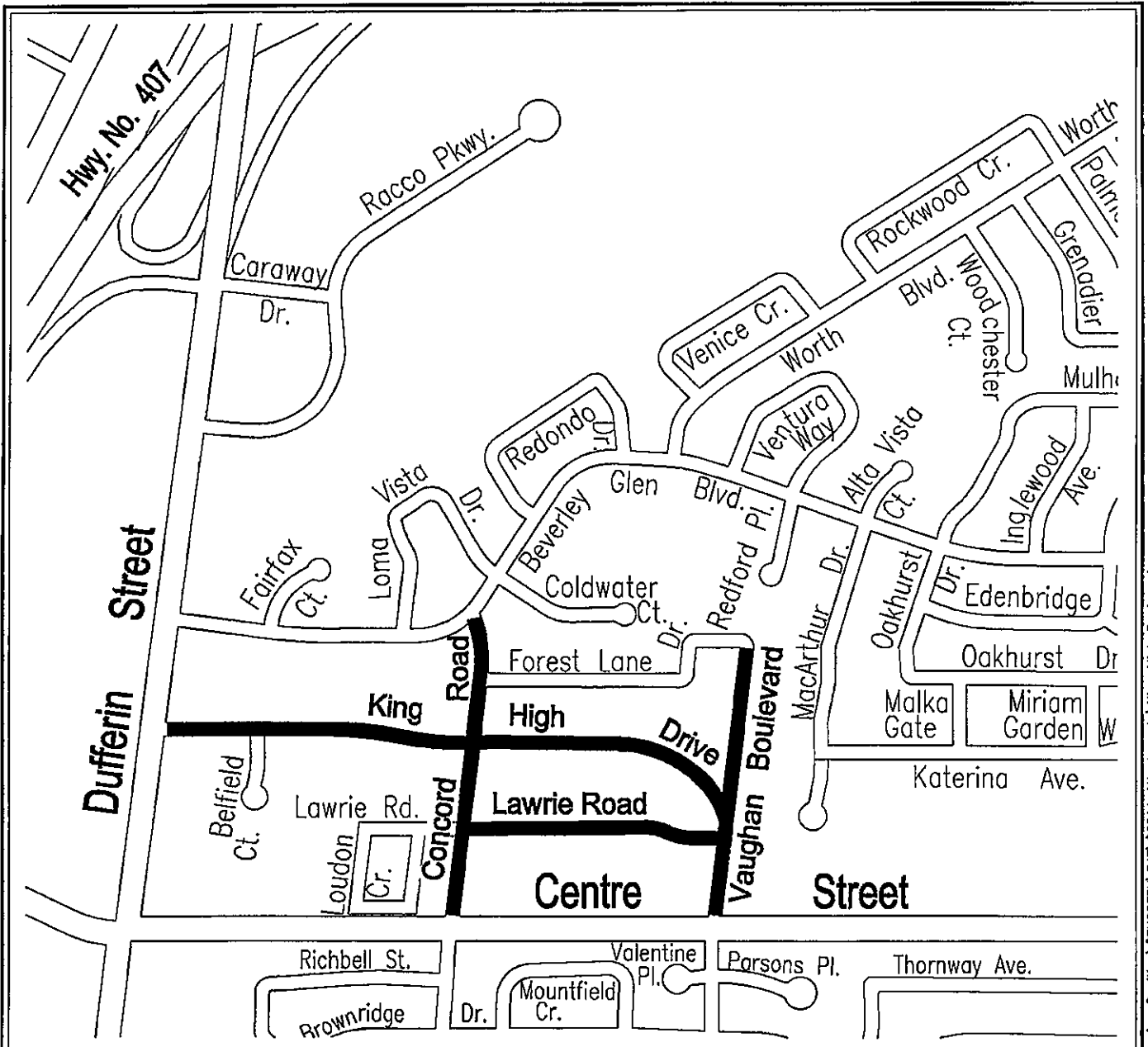
Bill Robinson, P. Eng.
Commissioner of Engineering and Public Works



For Jack Graziosi, P. Eng., M. Eng.
Director of Engineering Services

PM:mc

ATTACHMENT No. 1



KING HIGH DRIVE, LAWRIE ROAD, CONCORD ROAD & VAUGHAN BOULEVARD

ROAD REHABILITATION and WATERMAIN REPLACEMENT T11 - 018

LEGEND

█ SUBJECT ROADS



NOT TO SCALE

C 2
Item # 10
Report No. CW#14
COUNCIL - APR. 5, 2011

COUNCIL – APRIL 5, 2011

**TENDER AWARD – T11-078 SPRING STREET SWEEPING SERVICES
WARD(S) - ALL**

Recommendation

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

1. That Tender T11-078 for Spring Street Sweeping Services be awarded to A&G The Road Cleaners Ltd.; and
2. The Mayor and Clerk be authorized to sign the necessary documents.

Contribution to Sustainability

The Spring cleaning of all City streets removes a large amount of built-up dirt and debris from the road surfaces that have accumulated over the winter months. Street sweeping helps prevent this material from entering the City's catch basins and storm sewers, and helps extend the cleaning cycle for the City's storm water management ponds.

Economic Impact

Funds to cover the cost of the Spring street sweeping services have been budgeted in the proposed 2011 Operating Budget that is going forward to Council in the evening of April 5, 2011. The lowest bid price, submitted by A&G The Road Cleaners Ltd., was \$296,625.00 including H.S.T., with an estimated total value of \$1,779,750.00 for the possible 6 year life of this contract (2 years firm + 2 additional 2 year optional extensions). The unit prices are firm for the first 2 years with CPI adjustments being made in the optional years, with a ceiling on the CPI at a maximum of 5%.

Communications Plan

Staff will advertise the annual Spring street sweeping program on the City's web site. The notice will advise residents when spring street sweeping will take place, and will remind residents not to park their cars on the road during the clean-up period.

Purpose

The purpose of this report is to award Tender T11-078, Spring Street Sweeping Services.

Background - Analysis and Options

As part of its routine road maintenance service, Public Works contracts out the initial Spring street sweeping program. This is due to the high number of units required (min. of 12), to complete the task within the short 2-3 week period.

After the Spring street sweeping program has been completed, the Public Works Department then routinely sweeps all City streets with its own four street sweepers and staff. Routine sweeping of all City streets is done on a regular rotation basis, and is done from the end of the Spring clean-up, until mid to late November, weather dependant.

Part 1 of the tender required bidders to provide a price for Spring street sweeping services. Part 2 of the tender required bidders to provide a price for the removal and disposal of the debris collected from the Spring sweeping operation.

Further to the report provided to the Committee of the Whole meeting of March 22, 2011, Tender T11-078 for Spring street sweeping services closed on Thursday March 17, 2011. A total of six documents were picked up from the Purchasing Department, with a total of three bids submitted.

The following are the results of the tender opening;

BID RESULTS FOR T11-078 SPRING STREET SWEEPING SERVICES				
Item	Contractor	Part 1 Street Sweeping Only Including H.S.T.	Part 2 Remove/Disposal of Street Sweeping Debris Including H.S.T.	Total of Part 1 and Part 2 including H.S.T.
1	A&G The Road Cleaners Ltd., Bolton	\$ 268,375.00	\$ 28,250.00	\$ 296,625.00
2	Almon Equipment Ltd., Toronto	\$ 295, 770.72	\$ 76,840.00	\$ 372,610.72
3	Boltkrete Services (2004) Inc., Concord	\$ 336,864.30	\$ 67,235.00	\$ 404,093.93

Staff has checked the bids for mathematical errors and are satisfied that A&G The Road Cleaners Ltd. is deemed qualified to successfully complete the Spring street cleaning program. A&G The Road Cleaners Ltd., is also the lowest bidder in both Part 1 and Part 2 of the contract and is also within the draft 2011 Operating Budget of \$352,000. They have held the contract for street sweeping services for the City of Vaughan for the past six years with satisfactory results, and they also perform street sweeping services for the Town of Richmond Hill, the Region of York and the Town of Aurora.

Upon award, the intent is to start the Spring street sweeping program as soon as possible, weather permitting, with completion expected 2-3 weeks after start-up.

Relationship to Vaughan Vision 2020/Strategic Plan

This report is consistent with the priorities previously set by Council. Although the funds have been included in the draft 2011 Operating Budget, the necessary resources have not been formally allocated and approved.

Regional Implications

As the Region maintains their own streets, there are no regional implications with the award of this tender.

Conclusion

Based on the prices submitted, it is recommended that Part 1 and Part 2 of tender T11-078 Spring Street Sweeping Services, be awarded to the lowest bidder, A&G The Road Cleaners Ltd., of Bolton, Ontario, and the Mayor and Clerk be authorized to sign the necessary documents.

Attachments

N/A

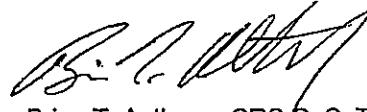
Report prepared by:

Tina Di Biase, Technical Co-ordinator

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Bill Robinson". The signature is fluid and cursive, with a large initial "B" and "R".

Bill Robinson, P. Eng.,
Commissioner of Engineering and Public Works

A handwritten signature in black ink, appearing to read "Brian T. Anthony". The signature is cursive and somewhat stylized, with a large initial "B" and "A".

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



memorandum



C 4
Item # 17
Report No. CW # 14
COUNCIL - APR. 5, 2011

DATE: April 1, 2011
TO: Mayor and Members of Council
FROM: Janice Atwood-Petkovski
Commissioner of Legal and Administrative Services and City Solicitor
RE: CITY OF VAUGHAN – GENERAL INSURANCE AND RISK MANAGEMENT SERVICES

Recommendation

The Commissioner of Legal and Administrative Services and City Solicitor, in consultation with the Commissioner of Finance and City Treasurer, Director of Purchasing Services, City Clerk and Manager of Special Projects, Licensing and Permits-Insurance Risk Management, recommends:

1. That RFP 11-028 for the provision of General Insurance and Risk Management Services for the City of Vaughan be awarded to Frank Cowan Company Limited for the period of April 30, 2011 to April 30, 2012 for an annual premium of approximately \$3,464,282, plus applicable taxes;
2. That the City Clerk be authorized to renew the said contract on a year to year basis for a maximum period of two (2) years, depending upon quality of service, mutual agreement and annual premium negotiations; and
3. That the Mayor and City Clerk be authorized to sign the necessary documents.

Contribution to Sustainability

The provision of General Insurance and Risk Management Services is a key component of ensuring the financial stability of the Corporation. Through having appropriate insurance coverages and the implementation of risk management practices, the Corporation's risk exposure can be contained and mitigated to avoid financial consequences.

Economic Impact

For 2011, staff budgeted \$ 2,300,000 for insurance premiums. Based on staffs recommendation there will be a budget shortfall of \$ 1,164,282.

Staff recommend that the funding source for 2011 for the additional insurance premium costs be the Insurance Reserve. Sufficient funding is available in the Insurance Reserve, although a transfer to cover the entire shortfall of \$1,164,282 will essentially deplete the reserve.

For 2012, staff budgeted \$ 2,500,000 for insurance premiums. Staff estimates that an additional \$900,000 will be budgeted for the 2012 budget to cover the insurance premium. In an effort to minimize this cost staff will be meeting with the insurer to determine how any premium increase can be minimized. As indicated later in this report staff will be meeting with various departments in the City to review policies and procedures that can be refined to reduce the number of claims filed against the City.

Communications Plan

Not Applicable

Purpose

The purpose of this report is to obtain Council authorization to award a contract to Frank Cowan Company Limited to provide General Insurance and Risk Management Services to the City of Vaughan, for the period of April 30, 2011 to April 30, 2012 for an annual premium of \$3,464,282, plus applicable taxes.

Background- Analysis and Options

At the Council meeting of September 7, 2010, Council authorized staff to extend the applicable policies of insurance to April 30, 2010, and to issue an RFP for General Insurance and Risk Management Services for the period of April 30th, 2011 to April 30, 2012.

On February 4, 2011 a Request for Proposal (RFP) for General Insurance and Risk Management Services was issued. Notice of the RFP was advertised on Biddingo, on the Ontario Public Buyers Association website and on the City of Vaughan website with a closing date of March 4, 2010. On February 23, 2011 one addendum was issued to clarify queries and questions.

A total of two (2) proposals were received from; Frank Cowan Company Limited and Jardine Lloyd Thompson Canada Inc, (JLT)

Initial review of the two proposals was conducted on March 4, 2011. At that time, it was determined that the submission from JLT was non compliant. Accordingly, JLT's submission would not be evaluated by the evaluating committee.

The remaining proposal from Cowan was evaluated by the City's evaluation committee. The committee consisted of City staff and an independent risk management and insurance consulting firm engaged by the City to assist in the process. The submission was examined and evaluated using the following criteria, pre-established by the City and provided in the RFP package:

Table 1

Criteria	Detail of criteria	Points
Product	Meeting the RFP proposal specifications, scope of coverage and enhancements	35
Risk Management Services	Insurance administration, and risk management	10
Claims Management		10
Qualifications	Proponent experience, team expertise, financial stability of insurers and references	10
Value Added Services		10
Price	Annual premium cost	25

The evaluation team unanimously agreed that the proposal submitted by Cowan was comprehensive, thorough and addressed all aspects of the RFP.

The City of Vaughan and other municipalities have experienced a significant rise in premiums over the past 3 years. There are several contributing factors in the insurance industry that are contributing to this rise in premiums, some of which include the following:

1. Liability insurance damage awards are increasing as court awards for bodily injury claims have risen dramatically over the last few years. Claims that would have settled for \$ 5 million

five years ago are presently settling in the area of \$ 12-18 million. These awards are significantly driven by costs for future care for a severely injured person. The quality of life expectations of catastrophically injured claimants have changed. While the courts previously may have determined an award based on institutionalized care, they are presently basing awards on injured claimants' needs associated with 24 hour nursing care and support services in their homes.

2. The investigation of claims has become more rigorous, with increased legal and expert time being spent to determine liability. These costs add to defending claim actions resulting in increasing costs.
3. Harmonized Sales Tax introduced in July 2010 results in additional taxes being charged on costs, such as expert professional fee, which adds to the cost of claims.

Insurers have seen considerable of change in the Municipal claims' experiences over the past few years. Society is becoming increasingly litigious, which results in a greater number of claims being brought against municipalities. As the cost of claims rise, premiums are being adjusted accordingly.

Aside from the above noted factors, insurers look to the claims history of municipalities when setting their premiums. Over the past 10 years the City of Vaughan has submitted approximately 640 claims to its insurer for liability, slip and fall and building inspection claims. The present estimated gross value of these claims is valued by the insurer at \$ 16,928,132. By their very nature, open claims are not static and may develop (increase or decrease) as pertinent details of the incident are made available to the insurer.

General industry trends point to increases in insurance premiums that span the entire municipal community. A recent survey conducted by municipal risk managers indicates rising insurance premiums for 2011. For example, Haldimand County has seen an increase of 35%, and Perth County an increase of 54%, in comparison to the premiums they paid in 2010. Trends suggest that rates have been going up prior to 2010, as Essex County experienced a 47.5% increase from their 2009 to 2010 premium, and a further increase of 41% in 2011. Vaughan's overall premium increase for 2011 is approximately 52 % over the 2010 premium.

Although the increase in premium is substantial, there are other contributing factors apart from the deteriorating claims experience noted above. In 2010, the City's insured property values stood at approximately \$ 301,215,000. The 2011 insured value for property is listed at \$412,901,000 an increase of \$ 111,686,000. This represents a 27% increase in property value. In addition, the value of insured vehicles has increased in 2011 to \$ 28,274,000 from \$25,474,000 in 2010. This represents an increase of \$ 2,800,000 (9.9%) in automobile assets.

Table 2, demonstrates the breakdown of the amount of premium paid for property and automobile for the years of 2010 and 2011. The increase noted in the Variance column correlates to the increase in coverage required for the additional assets. This increase can be attributable to the consolidation of the satellite offices and the old Civic Center into the new City Hall building. Upon renewal, staff will re-evaluate the property values and contents for the insured satellite offices to determine if any cost savings in premium can be achieved.

Table 2

	2010	2011	Variance	
Property	\$202,421.00	\$273,125.00	\$70,704.00	34.92%
Automobile	\$142,233.00	\$188,623.00	\$46,390.00	32.61%

In an attempt to manage the financial impact of the premium increase staff analyzed the impact of a higher deductible level. The City's present deductible is \$ 50,000. The analysis was undertaken using a deductible of \$ 100,000.

Staff analyzed the claims paid by the insurer between \$ 50K and \$ 100K for the years 2005 to 2008 inclusive, which provides a historical data for mature claims, ie; claims that have progressed through the various stages to eventual settlement. The analysis showed that going to a higher deductible, although initially reducing the premium, would not be in the best interest of the City, as any cost savings would be eaten up in higher deductible payments by the City. Accordingly, staff is not recommending the City increase its current deductible from \$50K.

In an attempt to mitigate costs staff have reviewed the City's claims history to determine where the majority of claims originate. With the assistance of the incumbent insurer these have been identified. The majority of claims paid result from slip and falls on sidewalks due to trip ledges and slip and falls due to icy sidewalks and roadways. Staff will be meeting with these departments in the near future to review policies and procedures and service levels. The insurer has committed to working with the City and its departments to implement improvements which should reduce the frequency and seriousness of claims filed against the City. A reduction in claims will translate into a reduction in claims' cost to the insurer which should translate into decreased premium costs to the City.

Relationship to Vaughan Vision 2020/ Strategic Plan

This report is in keeping with Vaughan's vision of management excellence through the maintenance of the City's assets and infrastructure, its financial sustainability and its commitment to service excellence through the enhancement of community safety, health and wellness by the promotion of risk management initiatives.

Regional Implications

N/A

Conclusion

It is recommended that staff be authorized to award the City's General Insurance and Risk Management Services to Frank Cowan Company Limited, as outlined herein.

Attachments

N/A

Report prepared by:

Joseph A. V. Chiarelli
Manager of Special Projects, Licensing and Permits
Insurance Risk Management

Tricia Campbell
Risk management Analyst

Respectfully submitted,



Janice Atwood-Petkovski
Commissioner of Legal and Administrative Services and City Solicitor



memorandum

C 5
Item # 29
Report No. 14 CW
COUNCIL - APR. 5/11

DATE: APRIL 4, 2011
TO: MEMBERS OF COUNCIL
FROM: JEFFREY A. ABRAMS, City Clerk
RE: COMMUNICATION – COUNCIL MEETING APRIL 5, 2011
HOLIDAY GREETING ADVERTISING PLACEMENT
COMMITTEE OF THE WHOLE, REPORT NO. 14, ITEM NO. 29

At its meeting of March 22, 2011, Committee of the Whole requested that staff report to the April 5, 2011 meeting of Council with the costs associated with adding "SNAP" publications to the list of publications in which Easter/Passover greetings are to be placed this year on behalf of the Mayor and all Members of Council.

The cost of adding SNAP publications to the list is \$750.00.

The submission deadline for SNAP was March 23, 2011 and staff have placed the advertisements in order that they would be in place for the Easter/Passover Holidays. Accordingly, Council is requested to ratify the action taken.

It is therefore recommended that:

The submission of Easter/Passover holiday greeting advertising in SNAP publications at a cost of \$750.00 be authorized, and that Council ratify the action taken by staff in submitting the advertising by the publication deadline.

Respectfully submitted,


Jeffrey A. Abrams
City Clerk

JAA/cb