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WINTER ROAD MAINTENANCE CONTRACT EXTENSION CONTRACT T-06-50 ONE-YEAR EXTENSION

The Transportation and Works Committee recommends the adoption of the recommendations contained in the following report dated June 3, 2009, from the Commissioner of Transportation Services.

1. RECOMMENDATIONS

It is recommended that:

1. Regional Council approve a one-year extension of Contract T-06-50, for winter road maintenance operations for the Southeast Patrol District in the amount of \$1,346,058 (5% GST included).
2. The Regional Solicitor prepare the necessary contract documents.

2. PURPOSE

This report is to obtain Regional Council authorization for a one-year extension of Contract T-06-50 for the supply of winter road maintenance operations for the Southeast Patrol District for the next winter season (2009/2010).

3. BACKGROUND

To meet the winter service demands for road maintenance, Regional staff and equipment resources are supplemented with contracted services. Winter maintenance contracts have been routinely tendered on an annual basis to cover the Southeast (Markham and Richmond Hill), Southwest (Vaughan) and combined Central/North Patrol Districts.

In 2000, it was decided that the contracts would be more competitive and result in reduced bid prices if the contract duration was established for a three-year period. Each tender also contained the option of a two-year extension beyond the three-year term, subject to acceptance by both parties.

4. ANALYSIS AND OPTIONS

The contract format is the same as that used successfully over several years. The daily standby rate for the combination spreader/plough truck units stationed at each yard is the

only bid item. The contracts also contain a fixed operating rate of \$30 per hour that each unit is operating.

Contract T-06-50, for Winter Road Maintenance Operations for the Southeast Patrol District was awarded to Miller Paving Limited for a three-year period (2006-2009) for a total bid price of \$4,076,632.80 (6% GST included).

Regional staff has negotiated with Miller Paving Limited for a one-year extension of the current contract, with the same unit prices and general terms as set out in the contract. The budget for the one-year extension is calculated as one third (1/3) of the three-year budget of the current contract, at a price of \$1,346,058 (5% GST included), which results in a new total contract price of \$5,422,690.80 (GST included) upon Regional Council approval.

During the term of this contract, Miller Paving Limited met all the required obligations and performed satisfactorily.

Upon completion of the one-year extension of the existing Contract T-06-50 to April 9, 2010, Regional staff will follow the Region Procurement Policies and Procedures to retender for new contract and terms for future winter road maintenance operations for the Southeast Patrol District.

5. FINANCIAL IMPLICATIONS

There are no additional financial implications associated with this report. Funds are available within the current approved Roads Budget to cover the one-year contract extension for the portion from October to December 2009. The January to April 2010 portion of the extension will be included in the future 2010 Budget and Business Plan, which is estimated to cost approximately \$830,000 (5% GST included) out of the total budget of \$1,346,058 (5% GST included).

6. LOCAL MUNICIPAL IMPACT

There are no local municipal impacts associated with this report.

7. CONCLUSION

It is recommended that the price negotiated with Miller Paving Limited that reflects 0% increase to the current contract unit prices and no change to the current contract general terms for a one-year extension of Contract T-06-50, for 2009/2010 winter road maintenance operations for the Southeast Patrol District in the amount of \$1,346,058 (5% GST included) be accepted.

For more information on this report, contact Paul Jankowski, General Manager, Roads at extension 5901 in the Transportation Services Department.

The Senior Management Group has reviewed this report.