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WINTER ROAD MAINTENANCE CONTRACT EXTENSION CONTRACT T-03-43 PART "A" TWO-YEAR EXTENSION

The Transportation and Works Committee recommends the adoption of the recommendations contained in the following report, June 1, 2006, from the Commissioner of Transportation and Works:

1. RECOMMENDATIONS

It is recommended that:

1. Regional Council approve the two-year extension of Contract T-03-43, Part 'A' for winter road maintenance operations for the Southwest Patrol District in the amount of \$3,127,293.28.
2. The Regional Solicitor prepare the necessary contract documents.

2. PURPOSE

The purpose of this report is to obtain Regional Council approval for the two-year extension of contract T-03-43 Part, 'A' for the supply of winter road maintenance operations for the Southwest Patrol District for the next two winter seasons.

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/plow 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-03-43, Part 'A' for Winter Road Maintenance Operations for the Southwest Patrol District was awarded to Evans Contracting Limited for a three-year period (2003-2006) for a total bid price of \$4,555,558.17. Evans Contracting Limited has submitted a price of \$3,127,293.28 for the two-year extension period which reflects an increase over the original price of 2.8 % or an average of 1.4 % per year, for a new total contract price of \$7,682,851.45.

The proposed 1.4% increase is well within the acceptable cost-of-living inflation.

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

5. FINANCIAL IMPLICATIONS

Funds are available within the current approved budget to cover this contract increase amount and the increase for 2007 will be included in the future 2007 Budget and Business Plan.

6. LOCAL MUNICIPAL IMPACT

There are no local municipal impacts associated with this report.

7. CONCLUSION

It is recommended that the price submitted by Evans Contracting Limited for the two-year extension of Contract T-03-43, Part 'A' for winter road maintenance operations for the Southwest Patrol District in the amount of \$3,127,293.28 be accepted.

The Senior Management Group has reviewed this report.