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WINTER ROAD MAINTENANCE
CONTRACT T-02-041
TWO-YEAR EXTENSION

The Transportation and Works Committee recommends the adoption of the recommendations contained in the following report, September 22, 2005, from the Commissioner of Transportation and Works:

1. RECOMMENDATIONS

It is recommended that:

1. The price submitted by James Dick Construction Limited for the two-year extension of Contract T-02-041 for winter road maintenance operations for the Central and North Patrol Districts in the amount of \$3,119,599.98 be accepted.
2. The Regional Solicitor prepare the necessary contract documents.
3. The Regional Chair and Regional Clerk be authorized to sign the necessary contracts, subject to review by Legal Services.

2. PURPOSE

The purpose of this report is to obtain Regional Council approval for two-year extension of contract T-02-041 for the supply of winter road maintenance operations for the Central and North Patrol Districts 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

Under the terms of Contract T-02-041, the numbers of trucks required at each yard are phased in and out of standby mode between October and April. This graduated phasing of the units stationed in the Region's patrol yards minimizes the expenditure for equipment during the early and late parts of the winter season.

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-02-041 for Winter Road Maintenance Operations for the Central and North Patrol Districts was awarded to James Dick Construction Limited for a three-year period (2002-2005) for a total bid price of \$4,463,110.17. James Dick Construction Limited has submitted a price of \$3,119,599.98 for the two-year extension period which reflects an increase over the original price of 4.8% or an average of 2.4% per year.

Discussions with other local municipalities on the results of their winter maintenance contracts revealed that they are receiving cost increases of approximately 3.5 – 4.5% over last year's prices. The proposed 2.4% increase is well within the acceptable cost of living inflationary increase.

5. FINANCIAL IMPLICATIONS

Funds are available within the current approved budget to cover this contract increase amount and the increase for 2006 is included in the proposed 2006 Budget and Business Plan.

6. LOCAL MUNICIPAL IMPACT

There are no local municipal impacts associated with the award of this contract.

7. CONCLUSION

It is recommended that the price submitted by James Dick Construction Limited for the two-year extension of Contract T-02-041 for winter road maintenance operations for the Central and North Patrol Districts in the amount of \$3,119,599.98 be accepted.

The Senior Management Group has reviewed this report.