SUBJECT: Contract Extension for 007-T-09 Townwide Catch Basin Cleaning
PREPARED BY: Morgan Jones, Ext, 2285
          Patti Malone, ext. 2239

RECOMMENDATION:
1) THAT the report entitled “Contract Extension for 007-T-09 Townwide Catch Basin Cleaning” be received;

2) AND THAT contract 007-T-09 Townwide Catch Basin Cleaning be extended to Flow Kleen Tech Ltd. for an additional three (3) years (April 1, 2012 to March 31, 2015) in the estimated annual amount of $221,424 inclusive of HST impact;

3) AND THAT the Director of Operations and Manager of Purchasing be authorized to extend the contract for Townwide Catch Basin Cleaning for two (2) additional years, provided that it is in the best interest of the Town and increase per year does not exceed 5% of the cost of the previous years contractual value;

4) AND THAT the tendering process be waived in accordance with Purchasing By-Law 2004-341, Part II, Section 7 (1) (c) which states “when the extension of an existing contract would prove more cost-effective or beneficial”;

5) AND THAT funds be provided from the budget accounts as listed in the Financial Considerations in the amount of $221,424, inclusive of HST impact;

6) AND THAT this report be brought forward to the April 3rd, 2012 Council meeting;

And that Staff be authorized and directed to do all things necessary to give effect to this resolution.

PURPOSE:
The purpose of this report is to obtain approval to extend contract 007-T-09 Townwide Catch Basin Cleaning for an additional three (3) years.

BACKGROUND:
Under this contract the supplier utilizes vacuum type equipment with a minimum intake hose size of 200mm and with the ability to reach sumps up to six metres in depth. Catch basin cleanings are required to maintain the integrity of the sewer structures by removing sediments that could restrict the flow in the storm drains and preventing these sediments from migrating to streams and rivers.

OPTIONS/ DISCUSSION:
In March 2009, Council approved the award of contract 007-T-09 to Flow Kleen Tech Ltd. for a period of 2 years (April 1, 2009 – March 31st, 2011). In March 2011, further approval was obtained through staff to extend the contract for an additional year (April 1, 2011-March 31, 2012).

Staff is seeking approval to extend the contract for an additional three (3) years (April 1, 2012 – March 31, 2015) under the Town’s Purchasing By-law 2004-341, Part II, Section 7 (1) (c).

Flow-Kleen Tech Ltd. has been the successful contractor since 2001 with prices that are consistently lower than other bidders as follows:

- 2001 – 100% lower than 2nd lowest bidder
- 2005 – 105% lower than 2nd lowest bidder
- 2006 – 62% lower than 2nd lowest bidder
- 2009 – 250% lower than 2nd lowest bidder

The reason for these pricing variances is as follows:

Flow Kleen Tech Ltd. has a facility that recycles the sand from our contract for catch basin cleaning after tipping (dewatering the sediment). They stock pile this recycled sand to allow the sand to dry and then the sand is resold for winter sanding to other municipalities/regions. This secondary business allows Flow Kleen Tech Ltd to offer the catch basin cleaning services for a cost considerably less than their competitors, as the competitors price includes a cost for dumping of the material at an approved dumpsite.

In addition, staff compared the Town’s pricing with three (3) other municipalities and the Town’s price was 26% lower for the cleaning of the catch basins.

**FINANCIAL CONSIDERATIONS AND TEMPLATE:**

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**HUMAN RESOURCES CONSIDERATIONS:**
Not applicable

**ALIGNMENT WITH STRATEGIC PRIORITIES:**
Not applicable

**BUSINESS UNITS CONSULTED AND AFFECTED:**
Not applicable
RECOMMENDED BY:

3/19/2012

X Paul Ingham
Director, Operations

3/21/2012

X Brenda Librecz
Commissioner Community & Fire Services