



Report to: General Committee

Report Date: May 27, 2013

SUBJECT:	Award of Tender 039-T-13 Interlock repairs
PREPARED BY:	Mike Brady, Supervisor, Contract Administration, Ext. 2316 Patti Malone, Senior Buyer, Ext. 2239

RECOMMENDATION:

- 1) THAT the report entitled “Award of Tender 039-T-13 Interlock Repairs” be received;
- 2) AND THAT the Contract for tender 039-T-13 Interlock Repairs be awarded to the lowest priced qualified Bidder, Humberview Maintenance Group Ltd. for a three year term with prices fixed for the Contract term in the total amount of \$1,099,923 inclusive of HST, and per year as follows;
 - 2013 - \$366,641.00
 - 2014 - \$366,641.00
 - 2015 - \$366,641.00
- 3) AND THAT the Director of Operations and Senior Manager of Purchasing be authorized to exercise the option to renew Contract 039-T-13 for an additional 1 year (2016-2017) at the 2013 itemized prices subject to Consumer Price Index-Canada (CPI) adjustment (applied once per year in the month of February based on the CPI change for the year ending December of the previous year), performance and budget approval;
- 4) AND THAT the award be funded from the Operations Department Capital and Operating Budgets as identified within the Financial Considerations Section;
- 5) AND THAT Staff be authorized to amend the award amounts in years 2014-2017 to reflect changes to the Capital and Operating Budget accounts as approved by Council during the annual budget process;
- 6) AND THAT the Director of Operations and Senior Manager of Purchasing be authorized to reallocate funds from this blanket order within the overall Asphalt Resurfacing Program up to a maximum of 20% of the estimated blanket amount for the duration of the Contract; to a combined annual total not to exceed the annual Asphalt Resurfacing Program budget;.
- 7) 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 Council approval to award Contract 039-T-13.

BACKGROUND:

The City’s annual interlocking repairs is part of the Asphalt Resurfacing Program and includes the following components.

1. Repair of boulevards and island treatments for various locations, totaling approximately 4,000 square meters.

2. The repair of driveways/walkways at various locations, totaling approximately 7,000 square meters.
3. Interlocking stone installation, totaling approximately 1,000 meters.
4. The resetting of the driveway borders totaling, approximately 500 meters.

Bid Information:

Advertised	ETN
Bids closed on	April 2, 2013
Number picking up bid documents	35
Number responding to bid	16*

*One Bidder requested to be withdrawn due to a clerical error made on their bid submission. One bid was rejected due to poor performance.

Detailed Pricing Information:

Bidder	Price (Including HST Impact)
Humberview Maintenance Group Ltd.	\$366,641.28
Diamond Earthworks Corporation	\$371,078.02
BCA Construction Ltd.	\$391,776.00
Northland Paving Ltd.	\$404,597.76
Markham Property Services Ltd.	\$477,814.08
Forest Construction Ltd.	\$495,571.20
Roadside Paving Ltd.	\$559,680.00
Melfer Construction Inc.	\$600,384.00
Cedar Springs Landscape Group Ltd.	\$609,949.44
Marnix Infrastructure Inc.	\$640,375.68
2274084 Ontario Ltd.	\$748,444.80
Hawkins Contracting Services Limited	\$822,729.60
FTD Construction Inc.	\$981,984.00
Cambium Site Contracting Inc.	\$1,006,406.40

* Compared to the previous Contract 2009-2012, this Contract represents an 8% increase in unit prices.

*** Ore Construction Ltd – Lowest Priced Bidder (Not recommended)**

On April 4th, 2013 (two days after bid closing), Staff received a request by Ore Construction Ltd to withdraw their bid submission due to the fact that their bid submission contained a clerical error, which created a significant error in their Bid Price. In light of the significance of the pricing error contained in this Bid (and the potential risks to the City of Markham of awarding the Contract to Ore Construction (as the lowest priced Bidder) under these circumstances), the City of Markham has exercised its discretion under the *General Terms and Conditions* to reject this Bid and award the Contract to the next lowest priced Bidder.

**** GTA Grounds Care Ltd. – Second Lowest Priced Bidder (Not Recommended)**

After a review of external references and internal references, Staff recommend not awarding the Contract to them due to poor performance issues related to a tree planting contract in 2010. Under the *General Terms and Conditions*, the City has the right not to award to the lowest priced Bidder if the Bidder's reference checks do not meet or exceed the expectations of the City regarding past performance and health and safety performance. Under the City's previous contract with GTA

Grounds Care Ltd., the City had to meet with GTA Grounds Care Ltd. to address safety concerns, performance issues and their public relations skills when dealing with residents of Markham.

FINANCIAL CONSIDERATIONS AND TEMPLATE:

Contract 039-T-13 will be awarded to Humberview Maintenance Group Ltd. in the estimated annual amount of \$366,641. The award will be funded from Operations Department capital projects, as listed below:

Account Name	Account #	Budget Amount	Amount to Allocate to this project	Cost of Award	Budget Remaining
Asphalt Repairs	700-501-5304	995,667	80,000	65,712	14,288
Total Operating Budget		995,667	80,000	65,712	14,288
Asphalt Resurfacing	050-6150-13830-005	270,000	270,000	221,779	48,221
Interlock Repairs	050-6150-12374-005	274,750	36,058	29,618	6,440
Total Asphalt Resurfacing Program		544,750	306,058	251,397	54,661
Boulevard Repairs	700-101-5399-13451	52,900	52,900	43,452	9,448
Boulevard Repairs	700-101-5399-12239	54,000	7,401	6,079	1,322
Total Boulevard Repairs		106,900	60,301	49,532	10,769
Totals:		1,647,317	446,359	366,641	79,718

The balance remaining from the Operating Budget (Asphalt Repairs) in the amount of \$14,288 will stay in the Asphalt Repairs account and be reported as part of year-end operating variances. The balance remaining from the Asphalt Resurfacing Program and Boulevard Repairs in the amount of \$65,430 (\$54,661 from the Asphalt Resurfacing Program plus \$10,769 from the Boulevard Repairs Program) will be returned to the original funding source.

The contractual pricing for the first three years of this Contract (start of year based on date of contract execution) is fixed whereas year 4 is subject to a Consumer Price Index-Canada (CPI) increase or decrease to a maximum of 3% (applied once per year in the month of February, based on the CPI change for the year ending December of the previous year).

Budgets provided in the annual Asphalt Resurfacing Program are used in separate contracts for concrete restoration, road rehabilitation, interlocking repairs and sidewalk/curb repairs. The Operations Roads Department will administer these contracts and monitor work in order to limit spending to the approved budgeted amount. As part of the annual Asphalt Resurfacing Program, contract amounts may need to be amended based on the repair/rehabilitation work required for the year. As such, it is requested that the Director of Operations and the Senior Manager of Purchasing be authorized to reallocate funds from this blanket order within the overall Asphalt Resurfacing Program up to a maximum of 20% of the estimated blanket amount (or \$50,279.40, which equals \$251,397 x 20%) for the duration of the Contract; to a combined annual total not to exceed the annual Asphalt Resurfacing Program budget. Note the Asphalt Resurfacing Program budget for 2013 was approved at \$5,813,600 inclusive of HST.

HUMAN RESOURCES CONSIDERATIONS:

Not applicable.

ALIGNMENT WITH STRATEGIC CONSIDERATIONS:

Not applicable

BUSINESS UNITS CONSULTED AND AFFECTED:

The Finance Department has been consulted, provided input and reviewed this report.

RECOMMENDED BY:

6/4/2013

X 

Paul Ingham
Director, Operations

6/5/2013

X 

Brenda Librecz
Commissioner, Community & Fire Services