

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF APRIL 19, 2017

Item 23, Report No. 13, of the Committee of the Whole, which was adopted without amendment by the Council of the City of Vaughan on April 19, 2017.

**23 AWARD OF TENDER CRFT-2016-04 – SUPPLY, AND/OR SUPPLY AND DELIVERY OF
 ASPHALT MATERIALS
 CITY WIDE**

The Committee of the Whole recommends approval of the recommendation contained in the following report of the Deputy City Manager of Public Works, Director of Environmental Services and Director of Transportation Services, Parks and Forestry Operations, dated April 4, 2017:

Recommendation

The Deputy City Manager of Public Works, Director of Environmental Services and Director of Transportation Services, Parks and Forestry Operations, in consultation with the Director of Procurement Services, Director of Financial Planning & Development Finance and Deputy City Treasurer recommend:

1. That this report be received for information.

Contribution to Sustainability

This report contributes to the goals and objectives within Green Directions Vaughan, the City's Community Sustainability Environmental Master Plan, specifically:

Goal 3: To ensure that Vaughan is a city that is easy to get around with a low environmental impact.

Objective 3.2: To develop and sustain a network of roads that supports efficient and accessible public and private transit

Economic Impact

The City has awarded York Region's Request for Tender CRFT-2016-04 for the Supply of, and/or the Supply and Delivery of Asphalt Material to Fermar Paving Ltd. in the amount of \$171,065.00 plus applicable taxes and to Coco Paving Inc. in the amount of \$285,057.00, plus applicable taxes for the City of Vaughan.

The total cost for the three (3) year firm term contract is available within the 2017 approved Transportation Services, Parks and Forestry Operation and Environmental Services operating budget. Funding will be allocated in future year budgets for the contract should the contract be extended.

Summaries below illustrate the three (3) year contract cost and the financial impact on annual operating budget in Materials and Supplies:

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Total Costs: CRFT-2016-04	
	\$*
Fermar Paving Ltd	171,065
Coco Paving Inc	285,058
Add: Contingency Allowance (10%)	45,612
Sub-Total	501,735
Add: Non-Recoverable HST (1.76%)	8,831
Net Total Costs	510,565
* Prices do not include the annual price adjustment based on the MTO Bituminous Asphalt Cement Price Index	

Financial Position					
Operating Account (7330- Materials and Supplies)					
	Expense Allocation			2017 Annual Budget	% of Budget
	%**	\$ (3 years)	\$ (Annual)		
Water	17%	86,796	28,932	1,603,919	1.8%
Wastewater	18%	91,902	30,634	199,671	15.3%
Stormwater	25%	127,640	42,547	156,986	27.1%
Roads	35%	178,698	59,566	2,366,004	2.5%
Parks	5%	25,528	8,509	1,584,381	0.5%
Total	100%	510,565	170,188	5,910,961	
** Asphalt quantities and costs based on historical trend for the past 3 years					

A contingency of 10% is utilized for this contract as changes associated to quantities and operational needs over the three (3) year firm term may be likely.

Communications Plan

Not applicable.

Purpose

The purpose of this report is to inform Council of the results of York Region's Request for Tender CRFT-2016-04 for the Supply of, and/or the Supply and Delivery of Asphalt Materials and that the City has awarded this contract to Fermar Paving Ltd. and Coco Paving Inc. for a three (3) year firm term with the option to extend for two (2) additional one (1) year periods subject to satisfactory contractor performance and budget availability.

Background and Analysis

York Region issued a co-operative tender for asphalt materials with a contract term of three (3) years with two (2), one (1) year optional extensions.

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On behalf of the participating municipal agencies of the York Purchasing Cooperative, York Region put out a Request for Tender No. CRFT-2016-04 Supply of, and/or the Supply and Delivery of Asphalt Materials of various asphalt materials used for municipal maintenance operations.

The contract secures per tonne unit pricing for the supply and/or supply and delivery for various hot mix and cold mix asphalt materials until December 31, 2019. The contract also includes an annual price adjustment that involves applying the Ministry of Transportation Bituminous Asphalt Cement Price Index.

CRFT-2016-04 was advertised on the Region's Bids & Tenders website at <http://bids.york.ca> on September 20, 2016 and closed on October 4, 2016. A total of five (5) compliant bids were received. The results of the tender are below and are based on the estimated annual quantities used by the City. The prices exclude H.S.T.

Bidder	Annual Bid Price (Excl. HST)	3 Year Term Price (Excl. HST)
Fermar Paving Ltd.	\$57,021.66	\$171,065.00
K.J.Beamish Construction Co. Ltd.	\$78,623.33	\$235,870.00
Miller Paving Ltd.	\$94,055.00	\$282,165.00
Coco Paving Inc.	\$95,019.00	\$285,057.50
D. Crupi & Sons Ltd.	\$98,453.33	\$295,360.00

York Region has awarded this co-operative tender to the four (4) lowest bidders.

Due to the large geographical area covered and the location of the bidders' plants, York Region has awarded the tender to the four (4) lowest bidders. This will provide flexibility in terms of taking advantage of suppliers in the various geographic locations throughout the Region – reducing additional costs associated with travel – and provides additional assurance should there be plant shut downs for maintenance or other unforeseen circumstances.

The lowest overall price or the lowest price per tonne bid does not necessarily reflect the lowest overall cost to the City due to additional costs associated with delivery of material to city-wide locations from the bidder's plants.

Asphalt materials used by contractors and staff of Environmental Services and TSPFO are picked-up from the plant by staff and/or contractors and are transported to various work sites within the City. The delivery of materials is typically not requested as staff and contractors pick-up material to address matters in a timely fashion. The availability of asphalt material all year is also vital to both Environmental Services and TSPFO.

Based on these factors, an analysis has been completed to determine the additional costs associated with travel to the bidder's plants as it is a cost that must be factored in to ensure efficient and effective operations. This analysis has included the distance from the City's Joint Operations Centre to the bidders plant, the labour rate, equipment rate, and the cost per tonne bid.

The City has awarded York Region's Request for Tender CRFT-2016-04 to Fermar Paving Ltd. and Coco Paving Ltd. to ensure the lowest overall costs including additional costs associated with delivery, are incorporated into the bid price.

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A Standard Operating Procedure (SOP) has been implemented to provide guidance to determine when each contractor should be used. An analysis has been completed (considering the unit prices and travel costs) to identify the cost equivalence point (in terms of tonnage) where it is appropriate to use Coco Paving Inc. or Fermar Paving Ltd. This analysis has determined that, for all hot box loads, Coco Paving Ltd. shall be used and for all single axle and tandem axle loads, Fermar Paving Ltd. shall be used. It should also be noted that as Fermar Paving Ltd.'s plant does not operate in the winter, Coco Paving Inc. will be solely used during this period.

Environmental Services primarily uses asphalt materials for repairs related to water and sewer main repairs, catch basin, manhole and driveway repairs. Asphalt materials are picked up by contractors using single axle and/or tandem dump trucks and transported to various work sites across the City as required.

TSPFO primarily uses asphalt materials for small repairs related to road maintenance. When performing small road repairs, the amount of material picked up is limited to the capacity of the portable asphalt transporters (i.e. the hot boxes), which are one or two (2) tonne capacity. When performing larger repairs, five (5) or more tonnes are picked up at a time using single axle and/or tandem dump trucks.

Relationship to Term of Council Service Excellence Strategy Map (2014-2018)

The recommendations in this report support the following Term of Council Priorities:

- Improve municipal road network
- Invest, renew and manage infrastructure and assets
- Continue to ensure the safety and well-being of citizens

Regional Implications

This tender was released by York Region on behalf of the participating municipalities in the York Purchasing Cooperative. As York Region maintains its own road network, the award of this contract by the City does not impact the Region.

Conclusion

The City has awarded York Region's Request for Tender CRFT-2016-04 for the Supply of, and/or the Supply and Delivery of Asphalt Material to Fermar Paving Ltd. in the amount of \$171,065.00, plus applicable taxes, and to Coco Paving Inc. in the amount of \$285,057.00, plus applicable taxes, for a contract term three (3) year firm term with the option to extend for up to two (2) additional one (1) year optional terms.

Attachments

Not applicable.

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