

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF APRIL 19, 2016

Item 6, Report No. 18, of the Committee of the Whole, which was adopted without amendment by the Council of the City of Vaughan on April 19, 2016.

6 AWARD OF TENDER T16-038 – WINTER ROAD MAINTENANCE SERVICES

The Committee of the Whole recommends:

- 1) That the recommendation contained in Communication C3, memorandum from the Deputy City Manager of Public Works and the Director of Transportation Services, Parks and Forestry Operations, dated April 5, 2016, be approved, as follows:**
 - 1. That Tender T16-038 Winter Road Maintenance Services Part A Service Area be awarded to Maple-Crete Incorporated in the amount of \$18,773,703 plus applicable taxes for a period of six (6) years with an option to extend the contract for two (2) additional two (2) year terms;**
 - 2. That Tender T16-038 Winter Road Maintenance Services Part B Service Area be awarded to Ashland Paving Limited in the amount of \$19,387,260 plus applicable taxes for a period of six (6) years with an option to extend the contract for two (2) additional two (2) year terms; and**
 - 3. That the Mayor and City Clerk be authorized to sign the appropriate documents; and**
- 2) That the report of the Deputy City Manager of Public Works and the Director of Transportation Services, Parks and Forestry Operations, dated April 5, 2016, be received.**

Recommendation

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

- 1. That Staff submit a subsequent communication item for Tender T16-038 – Winter Road Maintenance Services to Committee of the Whole on April 5, 2016, that will include a synopsis of the bid results and recommended actions.**

Contribution to Sustainability

This report contributes to the goals and objectives within the 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 lowest compliant bid price for Part A Service Area and Part B Service Area for Tender T16-038, submitted by the bidder(s), will be determined after the bid closes on Wednesday March 23, 2016. The economic impact resulting from this contract will be discussed in the subsequent communication item to Committee of the Whole on April 5, 2016.

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Communications Plan

There is no communications plan associated with this report.

Purpose

The purpose of this report is to inform Council that Tender T16-038 – Winter Road Maintenance Services closed on Wednesday March 23, 2016 and that Staff will submit a subsequent communication item to Committee of the Whole on April 5, 2016, that will include a synopsis of the bid results and recommended actions.

Background - Analysis and Options

In June 2015, Council endorsed Staff's recommendation to proceed with a competitive procurement process for a long-term, performance based winter road maintenance contract.

The City currently maintains two (2) contracts (i.e. Part A Service Area and Part B Service Area) for the provision of winter road maintenance services, which includes anti-icing, salting, sanding, plowing, and windrow clearing, on the City's Main and Residential Roads. These contracts are set to expire at the end of the 2015/2016 winter season.

In June 2015, Council endorsed Staff's recommendation to proceed with a competitive procurement process for a new long-term (i.e. ten (10) years), performance based winter road maintenance services contract.

The development of Tender T16-038 – Winter Road Maintenance Services was a collaborative process and has resulted in a long-term, performance based winter road maintenance services contract that is reflective of industry lessons learned and best practices, as well as the City of Vaughan's unique needs

In developing Tender T16-038, Transportation Services, Parks and Forestry Operations was supported by a dedicated internal project team, with representation from the Office of the Chief Financial Officer and the Office of the City Solicitor.

The development of Tender T16-038 has also benefited from detailed environmental scan and jurisdictional research of comparable municipalities and the province with respect to their experience with long-term, performance based winter road maintenance services contracts. This has included peer review and considerable engagement by the Ministry of Transportation – the industry leader in long-term, performance based winter road maintenance services contracts – and other comparable municipalities.

The environmental scan and jurisdictional research has revealed that although long-term, performance based winter road maintenance services contracts lead to enhanced operational performance and citizen experience, they are in their infancy and still evolving, with limited application thus far. As has been evidenced with their recent application at the provincial level, the response from the industry to these types of contracts has been mixed and the change has been met with some resistance. To ensure successful application of the City's long-term, performance based winter road maintenance services contract, the City retained the advisory services of RFP Solutions, a consultant specializing in public sector procurement and performance based contracting to ensure Tender T16-038 was biddable.

This collaborative tender development process above represents many evolutions that improve upon the current winter road maintenance services contract and enhance the overall operational performance and citizen experience of the City's winter road maintenance services.

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The key evolutions and highlights of Tender T16-038 are outlined in Attachment 1.

In August 2015, the City issued a Request for Pre-Qualification (RFPQ) in order to pre-qualify proponents that would be capable of performing the winter road maintenance services required for a long-term, performance based contract.

Sixteen (16) proponents responded to the RFPQ and fifteen (15) proponents were compliant.

The RFPQ required proponents to submit proposals that would be evaluated based on the following criteria:

1. Health and Safety
2. Organizational Capability
3. Operational Capability
4. Service Delivery Approach
5. Financial Capacity and Sustainability
6. Quality of Submission

The proposals submitted for the RFPQ were evaluated by an Evaluation Committee and seven (7) proponents were pre-qualified to compete for the forthcoming contract.

Proposals were evaluated by an Evaluation Committee consisting of representatives from Transportation Services, Parks and Forestry Operations, Environmental Services, Financial Planning and Development Finance, and Procurement Services.

Seven (7) proponents were pre-qualified to bid on the forthcoming tender, including:

1. Ashland Paving Ltd.
2. Armking Contracting Ltd.
3. Coco Paving Inc.
4. Fermar Paving Ltd.
5. Gazzola Paving Ltd.
6. Maple-Crete Inc.
7. Miller Paving Ltd.

Several proponents that did not pre-qualify for the RFPQ challenged the bid process and a Bid Review Committee was established.

Debrief meetings were held with individual proponents that did not pre-qualify to discuss their proposals and to provide rationale for their proposal's evaluation in relation to the RFPQ's evaluation criteria. Following the debrief meetings, several proponents that did not pre-qualify for the RFPQ challenged the validity of the bid process.

In February 2016, a Bid Review Committee was established by the Chief Financial Officer and City Treasurer, in accordance with Section 16 of the City's Consolidated Purchasing Policy, to determine the validity of the challenge.

The Bid Review Committee concluded that the RFPQ process was properly authorized, conducted appropriately and was in full compliance with the City's policies and practices.

The Bid Review Committee met on February 10, 2016, to review the facts and steps associated with the RFPQ process. Based on their review, the Bid Review Committee concluded that the RFPQ process was properly authorized, conducted appropriately and was in full compliance with the City's policies and practices.

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In February 2016, the City invited the seven pre-qualified proponents to bid on the Tender T16-038.

On Thursday February 18, 2016, the City invited the pre-qualified proponents to bid on Tender T16-038 – Winter Road Maintenance Services. Tender T16-038 is divided into two separate contracts (i.e. Part A Service Area and Part B Service Area), with the bidders able to bid on either Part A Service Area, Part B Service Area, or both Part A Service Area and Part B Service Area. All bidders were required to bid on Provisional Items included in Tender T16-038.

The City held a Bidder's Meeting on Thursday February 25, 2016, with all pre-qualified proponents in attendance. The deadline for questions from the pre-qualified proponents was Monday February 29, 2016 and the City issued Addendums on Friday March 4, 2016, Wednesday March 9, 2016, and Thursday March 17, 2016.

The deadline for the submission of bids was Wednesday March 23, 2016.

Following the deadline for the submission of bids, Staff will provide a communication item to Committee of the Whole that will include a synopsis of the bid results and recommended actions.

This communication item will be brought forward to Committee of the Whole on April 5, 2016.

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

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

- *Improve municipal road network*
- *Continue to ensure the safety and well-being of citizens*
- *Citizen experience and service delivery*
- *End-to-end citizen centered services*
- *Service delivery options*
- *Financial sustainability*

Regional Implications

There are no regional implications associated with this report.

Conclusion

Tender T16-038 – Winter Road Maintenance Services has been developed through a collaborative process, with engagement from the City's provincial and municipal partners and public sector procurement and performance based contracting specialists. This collaborative development process has resulted in a contract that is reflective of industry best practices, lesson's learned, as well as the City of Vaughan's unique needs.

Tender T16-038 – Winter Road Maintenance Services represents many significant evolutions that improve upon the City's current contract and that enhance the overall operational performance and citizen experience with respect to winter road maintenance services.

Attachment

1. Tender T16-038 – Winter Road Maintenance Services: Highlights

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(A copy of the attachments referred to in the foregoing have been forwarded to each Member of Council and a copy thereof is also on file in the office of the City Clerk.)