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memorandum

DATE: Thursday, September 3, 2015
TO: Honourable Mayor Bevilacqua and Members of Council
FROM: Asad Chughtai, Director of Purchasing Services
RE: Communication - Report with Respect to Procurement Contracts During 2014

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COMMUNICATION	
FAA -	SEPT 8/15
ITEM -	15

ITEM 15, FINANCE, ADMINISTRATION AND AUDIT COMMITTEE –
SEPTEMBER 8, 2015

TENDERS AWARD REPORT UNDER CONSOLIDATED PURCHASING POLICY

Purpose

To provide a report to the Finance, Administration and Audit Committee in response to the "New Business" motion regarding Item 14, Report No. 10 adopted by the Council on June 23, 2015 requesting the following:

"That the Director of Purchasing provide a report on the number of contracts extended since January 1, 2014 and the number of the contracts that were extended beyond the option years"

Background

The inclusion of contract extensions in procurement bid documents is a common practice and element of the procurement process. Contract extensions are intended to ensure continuity of services delivery, cost effectiveness and provide operational flexibility to adjust to changing demands and performance requirements. The contract term and optional extension periods are determined by the service department in consultation with purchasing services. Optional extensions are authorized by the service department and subject to performance satisfaction and budget availability. Contract extensions beyond optional extension periods are only considered and permitted under extenuating circumstances. The majority of these contracts will go to Council for approval. In all other cases, a new procurement process is conducted within the Purchasing Policy framework.

Since January 2014, staff has exercised optional extensions for contracts in accordance with the terms and provisions outlined in respective contracts. Details of contracts extended within the optional terms are provided in Attachment 1.

Attachment 2 identifies the contracts recommended and amended to add extensions beyond the optional terms. Service departments make recommendations for additional extensions beyond available options only under special circumstances. For instance, the Winter Road Maintenance contract was extended as winter control programs operational review was underway, a report for which was submitted to Council. In another instance, existing contracts were allowed to continue to ensure uninterrupted service delivery while procurement process for a new service provider was ongoing.

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Conclusion

It is a standard practice to incorporate optional extension terms in medium to long term contracts as they provide the necessary buffer and flexibility to maintain important and essential services without disruption. Such provisions give the necessary capability to not exercise contract extension should the performance be unsatisfactory while providing necessary time needed to solicit and execute a new contract. In limited cases, an extension beyond the optional terms may be necessitated and approved by Director of Purchasing upon recommendation from the respective department heads on a month-to-month basis to ensure continuity of service delivery. All contracts are extended in accordance with the terms and amendment provisions available within the respective contracts. Extensions are exercised by respective department heads and Commissioners in order to ensure consistent uninterrupted service delivery to the City.

Attachments

1. Contracts extended since January 1, 2014
2. Contracts extended beyond optional years

Respectfully Submitted,



Asad Chughtai
Director of Purchasing Services

Copy:

- Steve Kanellakos, City Manager
- John Henry, Commissioner of Finance & City Treasurer
- Paul Jankowski, Commissioner of Public Works
- Demetre Rigakos, Acting Commissioner Strategic & Corporate Services
- Dimitri Yampolsky, Chief Information Officer
- Mary Reali, Director of Recreation & Culture
- Jack Graziosi, Director of Capital Delivery and Asset Management
- Zoran Postic, Director of Transportation Services and Parks & Forestry Operations
- Jennifer Rose, Director of Environmental Services
- Gabriel Wong, Acting Director of Building & Facilities

Attachment 1

Contracts extended since January 1, 2014									
Commission	Dept. #.	Bid/Cont.	Description	Supplier	Contract Approved By	Initial Contract Term	Extension Options	Optional Extension (s) exercised since Jan 2014	Comments
Public Works	TSP&FO	T11-078	Spring Street Sweeping Services	A & G The Road Cleaners	Council Item 10 RT 14 April 5, 2011	April 2011 - March 2013 - two (2) Years	two (2) two years options	April 2015 to March 2017	2nd option exercised - no further option
Public Works	TSP&FO	T11-108	Curb and Sidewalk Repair and Replacement	Serve Construction Ltd	Council Item 4 RT 19 May 3, 2011	May 2011 - Dec 2012 - One (1) Years	Three (3) one year options	Jan 2013 to Dec 2013 Jan 2014 to Dec 2014 Jan 2015 to Dec 2015	1 st , 2 nd and 3 rd options exercised - no further option C
Public Works	TSP&FO	T11-220	Asphalt Milling and Hot Mix Replacement	D & A road Services	City Manager Hiatus Bylaw July 27, 2011	August 2011 - Dec 2012 - One (1) Year	Three (3) one year options	Jan 2013 to Dec 2013 Jan 2014 to Dec 2014 Jan 2015 to Dec 2015	1 st , 2 nd and 3 rd options exercised - no further option 1-3
Public Works	TSP&FO	CT-2011-01	Asphalt Products	Coco Paving Inc.	Hiatus By-Law City Manager August 13, 2012	Jan 2012 - Dec 2014 - three (3) Years	two (2) one year options	Jan 2014 to December 2015	1st option exercised - one option remaining
Public Works	TSP&FO	T12-027	Haulage and Disposal Part A: Street sweeping material Part B: Mixed metal material	Raffat General Contractors	Director of Purchasing	June 2012 - June 2014 - two (2) Years	two (2) one year options	July 2014 to June 2015 to July 2015 to June 2016	1st and 2nd options exercised - contract expires June 2016

Public Works	TSP&FO	T12-029	Supply and Delivery of Street signs	Maximum Signs	Council Item 11 RT 16 May 08, 2012	May 2012 - April 2014 - two (2) Years	two (2) two years options	May 2014 to April 2016	1st option exercised - one option remaining
Public Works	TSP&FO	T12-144	Boulevard Turf Maintenance	Municipal Maintenance Inc.	Council Item 25 RT 12 April 17, 2012	May 2012 - April 2014 - two (2) Years	three (3) one year options	May 2014 to April 2015 to May 2015 to April 2016	1st and 2nd options exercised - one option remaining
Public Works	TSP&FO	T12-369	Snow Plowing & Salting of City of Vaughan Facilities	Forest Contractors Ltd.	Council Item 21 RT 29 Oct 30, 2012	Dec 2012 - April 2014 Two (2) Years	three (3) one year options	Dec 2014 to April 2015	1st option exercised - City not proceeding with remaining
Public Works	TSP&FO	Q12-005	Curb Cutting Various Locations City Wide	Active Concrete Works Ltd.	Director of Purchasing	Feb 2012 - Dec 2013 -Two (2) Years	three (3) one year options	Jan 2014 to Dec 2014 Jan 2015 to Dec 2015	1st and 2nd options exercised - one option remaining
Public Works	TSP&FO	CT-2012-07	Bulk Sodium Chloride, Highway Rock Salt	Sifto Canada Supply	Council Item 28 RT 33 Sept.25.2012	Oct 2012 - April 2015 - one year 3 months	two (2) one year options	April 2015 to April 2016	1st option exercised - one option remaining
Public Works	TSP&FO	T13-065	Supply of Granular Materials	Strada Aggregates Inc.	Council Item 5 RT 19 May 14, 2013	May 2013 - March 2015 - two year	two (2) one year options	March 2015 to March 2016	1st option exercised - one option remaining
Public Works	TSP&FO	Q13-366	Traffic Data Collection	Ontario Traffic Inc.	Director of Purchasing Consolidated Purchasing Policy section 6.4 Oct 2012	Sept 2013- Sept 2014 - one year	two (2) one year options	Sept 2014 to Sept 2015 to Sept 2015 to Sept 2016	1st and 2nd options exercised - contract expires September 2016
Public Works	TSP&FO	T13235	Interlocking repair and replacement	Diamond Earthworks	Director of Purchasing	July 2013 - Dec 2013 - Five months	two (2) one year options	Jan 2014 to Dec 2014 Jan 2015 to Dec 2015	1st & 2 nd option exercised Contract expires Dec 2015

Public Works	TSP&FO	T14-058	Supply and Delivery of Baseball Field Clay Products	Mar-Co Clay Products Inc.	Director of Purchasing Consolidated Purchasing Policy section 6.4 Oct 2012	May 2014 – April 2015 - One (1) year	two (2) one year options	May 2015 to April 2016	1st option exercised - one option remaining
Public Works	TSP&FO	T14-059	Supply & Delivery of Various Soils	Clifford's Haulage	Director of Purchasing Consolidated Purchasing Policy section 6.4 Oct 2012	April 2014 – April 2015 - one year	two (2) one year options	April 2015 to April 2016	1st option exercised - one option remaining
Public Works	TSP&FO	Q14-047	Grass Seed	Quality Seed Ltd.	Director of Purchasing Consolidated Purchasing Policy section 6.4 Oct 2012	April 2014 - March 2015 one year	two (2) one year options	April 2015 to March 2016	1st option exercised - one option remaining
Public Works	ES	T11-421	Sewer/Watermain Repairs-Part A	A. Donofrio Cont.	Council Item 23 RT 54 Dec 13, 2011	Dec 2011 - November 2013 - two years	three (3) one year options	December 2013 to November 2014 December 2014 to November 2015	1st and 2nd option extension exercised - one option remaining
Public Works	ES	T11-421	Sewer/Watermain Repairs- Part B	Top Gun Utilities	Council Item 23 RT 54 Dec 13, 2011	Dec 2011 – Nov 2013 - two years	three (3) one year options	Dec 2013 to November 2014 Dec 2014 to Nov 2015	1st and 2nd option extension exercised - one option remaining
Public Works	ES	T13-006	Water Service Valve, Box and Rod Replacement	P.A. Envirovac Inc.	Hiatus By-Law City Manager Aug 21, 2013	Sept 2013 - March 2015 -one year 6 months	three (3) one year options	April 2015 to March 2016	1st option exercised - two option remaining

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Public Works	CD&AM	Q12-340	Printing Services for Large Engineering Drawings for Capital Projects	MC Reproductions Inc.	Director of Purchasing	August 2012 - December 2013 - one year 4 months	three (3) one year options	Dec 2013 to December 2014 Dec 2014 to December 2015	1st and 2nd option extension exercised - one option remaining
Public Works	CD&AM	RFP12-452	Consultant to Provide Subsurface Utility Engineering Services for a One Year Term Plus Options for Three - One Year Extension	T2 Utility Engineers Inc.	Council Item 3 RT 5 Feb. 19.13	March 2013 - December 2013 - 10 months	three (3) one year options	Jan 2014 to December 2014 Jan 2015 to Dec 2015	1st and 2nd option extension exercised - one option remaining
City Manager	Rec & Culture	T13-330	Camp Corral, Summer 2014 Horseback Riding Camp Space (Cost for Each Rider)	Pause-A-While Equestrian Centre	Director of Purchasing Consolidated Purchasing Policy section 6.4 Oct 2012	2014 Summer - one Season	two (2) one year options	August 2014 to August 2015 August 2015 to August 2016	1st and 2nd option extensions exercised - contract expires 2015
City Manager	Rec & Culture	T13-349	Print Production of City Publications	MPP marketing Group Inc.	Director of Purchasing Consolidated Purchasing Policy section 6.4 Oct 2012	January 2014 - December 2014 - one year	two (2) one year options	2015 Summer	1st option extension exercised - one option remaining
City Manager	Rec & Culture	Q13-008	First Aid Supplies	Heart Zap Services Inc.	Director of Purchasing	April 2013 - May 2015 two year	two (2) one year options	Jan 2015 to March 2016	1st option extension exercised - one option remaining
City Manager	Rec & Culture	Q13-109	Sports Equipment	Sports Equipment of Toronto	Director of Purchasing Services	May 2013 - May 2014 -one year	two (2) one year options	June 2015 to May 2016	1st option extension exercised - one option remaining
City Manager	Rec & Culture	Q12-489	Food and Beverage for all Community Centres & City Playhouse Theatre	Avron Foods Ltd.	Director of Purchasing Services	Jan 2013 - Dec 2013 -one year	two (2) one year options	Dec 2014 to Dec 2015	2nd option exercised Expires Dec 2015
City Manager	Rec & Culture	Q13-240	Arts, Crafts & Program Supplies	Kidzgroup	Director of Purchasing Services	July 2013 - June 2014 -one year	two (2) one year options	Feb 2015 to January 2016	1st option exercised. One option remaining

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City Manager	Rec & Culture	T13-132	Summer Camps Bussing	First Student Canada	Director of Purchasing Services	2013 summer One year	two (2) one year options	2014 summer 2015 summer	1st and 2nd options exercised Expired Aug 2015
City Manager	Rec & Culture	Q14-002	Supply and Delivery of Special needs sensory equipment	TFH (Special needs Toys) Inc.	Director of Purchasing Services	Feb 2014 – March 2015 one year	two (2) one year options	March 2014 to Feb 2015 to March 2015 to Feb 2016	1st and 2nd options exercised Expires June 2016
Strategic & Corporate Services	Information & Technology	MBS14-001	RFPOSS_00204088 Microsoft Enterprises Agreement Core CAL Licenses	Compugen Inc.	Director of Purchasing Services	June 2011 – May 2014 -three year	three (3) one year Options.	June 2014 to May 2015 June 2015 to May 2016	1st and 2nd options exercised -one option remaining
Strategic & Corporate Services	Building & Facilities	CQ12-03	Pool Chemical	Part A: Water and Ice North America Inc. Part B: Aquatech Logistics Inc.	Director of Purchasing Services	May 2012 – April, 2013 -one year	three (3) one year Options	May 2013 to April 2014 May 2014 to April 2015 May 15 to April 2016	1st, 2nd and 3rd options exercised Contract expires May 2016
Strategic & Corporate Services	Fleet	Q13-003	Repair and Installation of Two way Radios	William Communication Ltd.	Director of Purchasing Services	March 2013 – March 2014 -one year	one (1) one year option.	April 2014 to March 2015	1st option exercised – expired
Strategic & Corporate Services	Fleet	Q13-441	Supply and Apply Decals and Striping to Vehicles and Equipment	Century Signs Inc.	Director of Purchasing Services	Dec 2013 – Dec 2014 -one year	one (1) one year option	Jan 2015 to Dec 2015	1st option exercised Expires Dec 2015
Strategic & Corporate Services	Building & Facilities	Q14-050	Re-Lamping and Re-Ballasting City owned Sports Fields	Igman Electric Ltd.	Director of Purchasing Services	May 2014 – June 2015 -one year	two (2) one year options	July 2015 to June 2016	1st. option exercised -one option remaining
Strategic & Corporate Services	Information & Technology	RFP09-180	Telecommunication Services	Bell Canada	Council Item 18 RT 54 December 14, 2009	Oct 2011 – Oct 2014 -three years	two (2) one year option	Oct 2014 to Oct 2015	1st. option exercised -one option remaining

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Strategic & Corporate Services	Building & Facilities	RFP14-010	Kantech Global Dealer Specification, Improvement, and Maintenance	API Alarm	Director of Purchasing Services	August 2014 – July 2015 -one year	two (2) one year option	July 2015 to July 2017	1st option exercised -one option remaining
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Attachment 2

Contracts that were extended beyond the option years.

Commission	Dept. #.	Bid / Contract #	Description	Supplier	Contract Approved By	Initial Contract Term	Extension Options	Optional Extension (s) exercised since Jan 2014	Optional Extension (s) exercised beyond	Comments
Public Works	TSP&FO	T08-057	Winter Road Maintenance, East	Arming Contracting Ltd.	Council Item 13 RT 36 June.23.2008	November 2008 – March 2011 - three years	three (3) one year options	nil	Contract extended beyond options from Nov 2014 to March 2016 Item 25 COW May 27, 2014	Three extensions ended in March 2014 expired. C1.9
Public Works	TSP&FO	T08-057	Winter Road Maintenance, West	Gazzola Paving	Council Item 13 RT 36 June.23.2008	November 2008 - March 2011 - three years	three (3) one year options	nil	Contract extended beyond options from Nov 2014 to March 2016 Item 25 COW May 27, 2014	Three extensions ended in March 2014 expired.
Public Works	ES	T05-127	Municipal Waste Collection	Miller Waste	Council Item 63 RT 42. June 27, 2005	Jan , 2006 – Dec 2010	One (1) two years option Expired Dec 2012	Council Item 19 RT 4 Feb 21. 2012 Extended Jan 2013 – Dec 2015	Council Item 12 RT 10 FAA June 23, 2015 Contract extended Jan 2016 – Dec 2017	Operational Review New Multiyear solid waste contract for single family and multi-unit residential

City Manager	Rec & Culture	Q11-071	Provision of Armored Car Transportation Services	INKAS Security Services Ltd	Director of Purchasing	June 2011 - May 2013 - two years	two (2) one year options	June 2014 to May 2015	1st and 2nd optional extension exercised - contract expired June 2015	Current Contractor continues providing services. New contract under award.
Strategic Planning and Corporate Services	B&F	RFP10-100	Cafeteria Services -New Civic Centre	Fontana Gardens Express	Council Item 27 RT 36 July 13, 2010	June 2011 - June 2014 - three years	one (1) one year option	June 2014 to June 2015	1st optional extension exercised - contract expired June 2015	Current Contractor continues providing services. New RFP is under way

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