

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF JUNE 24, 2014

Item 50, Report No. 30, of the Committee of the Whole, which was adopted without amendment by the Council of the City of Vaughan on June 24, 2014.

50 TENDER AWARD – T14-145 - ROAD CRACK TREATMENT SERVICES

The Committee of the Whole recommends approval of the recommendation contained in the following report of the Commissioner of Engineering & Public Works, dated June 17, 2014:

Recommendation

The Commissioner of Engineering & Public Works, in consultation with the Commissioner of Finance and City Treasurer, and the Director of Purchasing Services, recommends:

1. That Tender T14-145 be awarded to Metro Asphalt Sealer & Repairs Ltd for 3 years, with three optional one year extensions; and,
2. That the Mayor and Clerk be authorized to sign the necessary documents.

Contribution to Sustainability

This program has a direct impact on extending the life of the City's asphalt road network.

Economic Impact

Annual pavement management capital projects will provide funds to perform this work

The value of the 3 year contract is estimated to be \$2,037,561 dependent on road condition assessments, with an equivalent value for the extensions. The requirements have been incorporated into the approved/recognized annual pavement management projects; the program receives approximately \$9M annually to complete road works including preventative maintenance, as a result of annual road inspections and asset management planning.

For 2014, the estimated value of this contract for road crack treatment services estimated annual quantity is \$679,187, including applicable taxes and administration recovery of 3%. The funding requirement has been budgeted in capital projects EN-1872-13 and EN-1873-13 (2013 Pavement Management Program). It is anticipated 2015 requirements will be funded from the approved 2014 pavement management program.

The Table below summarizes the funding allocations from the capital projects:

	<u>EN-1872-13</u>	<u>EN-1873-13</u>
Budget	3,218,750.00	3,321,750.00
Actuals/Commitments	<u>2,563,882.32</u>	<u>2,997,646.88</u> *
Remaining	654,867.68	324,103.12
 Award T14-145	 (348,000.00)	 (300,000.00)
HST @1.76%	(6,124.85)	(5,280.00)
3% Admin	<u>(10,623.75)</u>	<u>(9,158.40)</u>
Total Costs	(364,748.60)	(314,438.40)
 Remaining Budget	 290,119.08	 9,664.72

* Open PO to be adjusted in Q2-14

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The remaining funds in the capital projects will be used to complete other road works associated with the Pavement Management Program.

Tender prices have increased approximately 20% compared to the 2012 contract prices

The tender is based on an estimated quantity of 180,000 linear metres of routing, cleaning, and sealing cracks, and, 180,000 linear metres of cleaning and sealing unrouted cracks. Comparing the unit prices bid in the 2012 quotation for this work against the unit prices bid in this current tender, there is an overall price increase of approximately 20%. The actual annual costs for this work will vary, as more or less cracks may be identified by City staff as the work proceeds.

The approximate 20% increase in cost of crack treatment services over the previous contract can be attributed to several industry factors. The sealing compound used in the crack treatment process is a bituminous product, and as such, the material is subject to price increases based on the fluctuation in asphalt commodity pricing. Since January, 2012, the Ministry of Transportation Asphalt Price Index posted by the Ontario Hot Mix Producers Association has risen by 25%. Other factors contributing to the increase in cost of crack treatment services include an increase in labour costs and fuel pricing (i.e. gas and diesel).

The contract is for a three year term, with three additional, one year optional extensions. The decision to extend the contract during the optional extension periods will only be exercised if the Contractor has performed the work to the City's satisfaction. The estimated total value of this contract is approximately \$2,037,561, dependent on road condition assessments, with an equivalent value for the extensions.

Communications Plan

Tender T14-145 was advertised on the City web page, Biddingo, and the Ontario Public Buyers' Association, and closed on May 30, 2014.

Purpose

To award tender T14-145 "Road Crack Treatment Services".

Background - Analysis and Options

Road crack treatment helps extend the life of the City's asphalt road surfaces.

The Public Works Department uses contracted forces to perform road crack treatment services. This type of repair work helps to extend the life of asphalt road surfaces by preventing the infiltration of water into the road base, which could lead to further deterioration of the road platform.

Each year, the Public Works Department prepares an inventory roadways requiring crack treatment based on information provided through Engineering Services, and field inspections performed by Roads Division staff.

The work performed by the contractor includes routing, cleaning and sealing cracks, as well as cleaning and sealing unrouted cracks. For both routed and unrouted cracks that have been cleaned and dried, a hot poured rubberized asphalt sealant compound is poured in the cracks to seal them.

Metro Asphalt Sealer & Repairs Limited was the lowest bidder on this tender

Tender T14-1145 was advertised on Vaughan Today (City Page), the Electronic Tendering Network, and with the Ontario Public Buyers' Association on May 15, 2014. The tender closed on

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May 30, 2014. A total of four documents were picked up from the Purchasing Department, with a total of four bids submitted on the first year requirements. The following are the results of the tender opening:

Contractor	Total Price (excluding taxes)	Total Price (including taxes)
Metro Asphalt Sealer & Repairs Limited	\$648,000.00	\$659,405.00
Multiseal Inc.	\$730,800.00	\$743,662.00
Roadmaster Road Construction & Sealing Limited	\$736,200.00	\$749,157.00
J. Di Iorio Construction Limited	\$747,000.00	\$760,147.00

The lowest bid submitted by Metro Asphalt Sealer & Repairs Limited was for \$648,000 excluding all applicable taxes. The unit prices are firm until December 31st, 2016, while CPI adjustments will be applied to the prices in the optional years, with a 5% ceiling. The optional extension years are at the City's sole discretion, and conditional upon satisfactory performance and sufficient funding.

Metro Asphalt Sealer & Repairs Ltd. has performed road crack treatment services in the City of Vaughan previously, and staff were satisfied with their work performance.

Notwithstanding the costs have increased moderately since the last quotation was awarded in 2012, it is necessary to perform this work to ensure that the maximum life is achieved from the City's asphalt road surfaces. Therefore, it is recommended that Tender T14-145 be awarded to Metro Asphalt Sealer & Repairs Ltd. for road crack treatment services.

Relationship to Vaughan Vision 2020/Strategic Plan

This report is consistent with the priorities previously set by Council and ties into the following Vaughan Vision 2020 Goals and Objectives:

Goal: Service Excellence
Theme: Demonstrate Excellence in Service Delivery

Goal: Management Excellence
Theme: Manage Corporate Assets

Regional Implications

There are no Regional implications as a result of this tender award.

Conclusion

The work performed under Tender T14-145 "Road Crack Treatment Services" is essential to ensuring the much needed platform maintenance is completed on the City's asphalt road surfaces. Based on the bid prices, it is recommended that Tender T14-145, be awarded to Metro Asphalt Sealer & Repairs Ltd.

Attachments

N/A

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Report prepared by:

Jeff Johnston,
Manager of Road Maintenance Services

Alexandra Mazzuca
Technical Clerk

COMMITTEE OF THE WHOLE JUNE 17, 2014

TENDER AWARD – T14-145 - ROAD CRACK TREATMENT SERVICES

Recommendation

The Commissioner of Engineering & Public Works, in consultation with the Commissioner of Finance and City Treasurer, and the Director of Purchasing Services, recommends:

1. That Tender T14-145 be awarded to Metro Asphalt Sealer & Repairs Ltd for 3 years, with three optional one year extensions; and,
2. That the Mayor and Clerk be authorized to sign the necessary documents.

Contribution to Sustainability

This program has a direct impact on extending the life of the City's asphalt road network.

Economic Impact

Annual pavement management capital projects will provide funds to perform this work

The value of the 3 year contract is estimated to be \$2,037,561 dependant on road condition assessments, with an equivalent value for the extensions. The requirements have been incorporated into the approved/recognized annual pavement management projects; the program receives approximately \$9M annually to complete road works including preventative maintenance, as a result of annual road inspections and asset management planning.

For 2014, the estimated value of this contract for road crack treatment services estimated annual quantity is \$679,187, including applicable taxes and administration recovery of 3%. The funding requirement has been budgeted in capital projects EN-1872-13 and EN-1873-13 (2013 Pavement Management Program). It is anticipated 2015 requirements will be funded from the approved 2014 pavement management program.

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The contract is for a three year term, with three additional, one year optional extensions. The decision to extend the contract during the optional extension periods will only be exercised if the Contractor has performed the work to the City's satisfaction. The estimated total value of this contract is approximately \$2,037,561, dependant on road condition assessments, with an equivalent value for the extensions.

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Attachments

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Report prepared by:

Jeff Johnston,
Manager of Road Maintenance Services

Alexandra Mazzuca
Technical Clerk

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Paul Jankowski, P. Eng.
Commissioner of Engineering and Public Works

Brian T. Anthony, CRS-S, C. Tech
Director of Public Works