



# The Corporation of the Town of Milton

Report To:	Council
From:	Glen Cowan, Chief Financial Officer/Treasurer
Date:	October 7, 2019
Report No:	CORS-061-19
Subject:	Purchasing Various - October
Recommendation:	<p>THAT Council approve the contract renewals with Blue Chip Building Restoration Ltd., Wendover Construction, NRG Construction, and Duff Contracting for Road Snow Clearing services for the 2019/2020 winter season at a total for standby of \$543,600 (exclusive of HST) and an estimated total of \$1,101,440 for service hours (exclusive of HST), as outlined on Schedule A;</p>

AND THAT the Manager, Purchasing and Risk Management be authorized to execute the contract(s), as outlined by the purchasing by-law, and the Mayor and the Town Clerk be authorized to sign any other required paperwork.

## EXECUTIVE SUMMARY

This report is being submitted to have Council's authorization on the various items on the attached Schedules. Requests are being made as per the guidelines outlined in the Purchasing By-law No. 061-2018 and the Budget Management Policy (Policy No.113).

## REPORT

### Background

Procurement of goods and services is governed by By-law No. 061-2018. Purchasing activity is undertaken in a manner that is intended to support the Town's mandate to provide effective, responsible government and efficiently deliver services to the residents of Milton.

### Discussion

Information pertaining to the recommended purchasing awards is included on the corresponding Schedule A attached.



## COUNCIL AUTHORITY FOR CONTRACT AWARDS

<b>Project Award</b>	2019/2020 Winter Control Program Road Snow Clearing (Rental of Equipment and Operator) Contract Renewals.																								
<b>Recommendation</b>	<b>Staff is recommending the award of contract renewals with Blue Chip Building Restoration Ltd., Wendover Construction, NRG Construction, and Duff Contracting for Road Snow Clearing services for the 2019/2020 winter season at a total for standby of \$543,600 (exclusive of HST) and an estimated total of \$1,101,440 for service hours (exclusive of HST).</b>																								
<b>Purpose of Report</b>	As per Section 10.1 (g) of Purchasing By-law No. 061-2018, Council approval is required.																								
<b>Background information</b>	<p>The Town of Milton requires contracted equipment and operators to provide winter maintenance on both Town and Regional roads (as part of the Regional Maintenance Agreement). These contracts complement the services provided by Town staff operating Town owned equipment.</p> <p><b>Contract Renewals</b></p> <p>The Town of Milton previously issued tenders and awarded Contract No. C-17-121 to Blue Chip Building Restoration Ltd., Contract C-17-122 to Duff Contracting, Contract No. C-17-123 to Wendover Construction and, and Contract C-18-106 to NRG Construction. These contracts have renewal options for the 2019/2020 winter season as part of their 5-year term. Negotiations with three (3) out of the four (4) suppliers resulted in pricing unchanged from last season for the upcoming winter season. Blue Chip requested a 2% increase and provided adequate justification for the increase. The total renewal is for thirty-six (36) winter control units (tandem units, single axle units, graders and loaders). The estimated service hours have been calculated based on average seasonal hours. The contract includes a guaranteed a standby payment of \$15,100/unit/season.</p> <p>The following table summarizes the estimated values for the contract renewals by supplier, exclusive of HST and includes Regional costs:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: center;"><b>Estimated Cost of Service Hours</b></th> <th style="text-align: center;"><b>Standby (Set Amount)</b></th> <th style="text-align: center;"><b>Total</b></th> </tr> </thead> <tbody> <tr> <td>Blue Chip (25 units)</td> <td style="text-align: right;">\$874,504</td> <td style="text-align: right;">\$377,500</td> <td style="text-align: right;">\$1,252,004</td> </tr> <tr> <td>Wendover (4 units)</td> <td style="text-align: right;">\$109,136</td> <td style="text-align: right;">\$ 60,400</td> <td style="text-align: right;">\$ 169,536</td> </tr> <tr> <td>Duff Const. (4 units)</td> <td style="text-align: right;">\$ 45,260</td> <td style="text-align: right;">\$ 60,400</td> <td style="text-align: right;">\$ 105,660</td> </tr> <tr> <td>NRG Const. (3 units)</td> <td style="text-align: right;">\$ 72,540</td> <td style="text-align: right;">\$ 45,300</td> <td style="text-align: right;">\$ 117,840</td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;">\$1,101,440</td> <td style="text-align: right; border-top: 1px solid black;">\$543,600</td> <td style="text-align: right; border-top: 1px solid black;">\$1,645,040</td> </tr> </tbody> </table>		<b>Estimated Cost of Service Hours</b>	<b>Standby (Set Amount)</b>	<b>Total</b>	Blue Chip (25 units)	\$874,504	\$377,500	\$1,252,004	Wendover (4 units)	\$109,136	\$ 60,400	\$ 169,536	Duff Const. (4 units)	\$ 45,260	\$ 60,400	\$ 105,660	NRG Const. (3 units)	\$ 72,540	\$ 45,300	\$ 117,840		\$1,101,440	\$543,600	\$1,645,040
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**CORS-061-19 - Schedule A**

<b>Financial Planning Section: Budget Impact</b> (Note 1)	
<b>Account Number(s)</b> <b>Account Description</b>	Winter Control Renewal Contracts    Town and Regional Roads
<b>Contract Budget</b>	\$ 1,673,993 (Note 2)
<b>Actual</b> (Net of HST Rebate)	\$ 1,673,993 (Note 3)
<b>Variance</b>	\$ 0
<b>Funding Source</b>	Operating Budget /Regional Recovery (Note 4)

Note 1: Financial impact includes any non-refundable portion of HST.

Note 2: Reflects budget for the units awarded through this contract renewal only, and therefore excludes the amount related to the new contract award previously made in 2019 through PDA-19-063.

Note 3: The unit pricing reflected in the extensions aligns with the approved budget and will be incorporated into the development of the 2020 Budget. Contract costs will vary with utilization and will be monitored by the program area. Any variances will be reported through the Quarterly Variance process.

Note 4: The cost of contracts for Regional Roads will be recovered from the Region of Halton.