



The Corporation of the Town of Milton

Report To: Council

From: Glen Cowan, Chief Financial Officer/Treasurer

Date: November 18, 2019

Report No: CORS-066-19

Subject: Purchasing Various - November 18th

Recommendation: **THAT Council approve the budget amendments and related funding sources as outlined on Schedule A;**

AND THAT Council approve the contract increase with Dillon Consulting for the Fire Master Plan Update in the total amount \$20,000 (exclusive of HST), as outlined on Schedule B;

AND THAT Council receive for information the emergency contract increase with Maple Hill Tree Services in the amount of \$24,983 (exclusive of HST) and an emergency award to Diamond Tree Care for additional tree removal, stump grinding and emergency on-call work services in the amount of \$176,162 (exclusive of HST), and approve a contract increase to Diamond Tree Care to cover work required until the renewal period of March 31, 2020 in the amount of \$50,000 (exclusive of HST), as outlined on Schedule C;

AND THAT Council approve the contract increase to Wood Environment & Infrastructure Solutions for Asphalt Overlay in the total amount of \$51,219 (exclusive of HST), as outlined in Schedule D;

AND THAT the contract increase with S. Spera and Associates Ltd. For Property Negotiation Services in the total amount of \$89,375 (exclusive of HST) be received for information, as outlined in Schedule E;

AND THAT Council approve the contract increase to Wood Environment & Infrastructure Solutions, for Storm Sewer Network Study Phases 2 and 3 in the total amount of \$250,249 (exclusive of HST), as outlined in Schedule F;



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AND THAT Council approve the contract increase to Heale Consulting Services and Management Inc. for Data Centre Maintenance Services in the total amount of \$14,900 (exclusive of HST), and receive for information the emergency contract increase for emergency repairs to the APC UPS System and Fire Station No. 3 in the total amount of \$23,145 (exclusive of HST), as outlined in Schedule G;

AND THAT Council receive for information the emergency contract award to Farley Group for the Soccer Dome Repairs in the total amount of \$63,585 (exclusive of HST), as outlined in Schedule H;

AND THAT Council approve the single source award to Joe Johnson Equipment for the replacement of a trackless tractor in the total amount of \$133,980 (exclusive of HST), as outlined in Schedule I;

AND THAT Council delegate authority to the Manager, Purchasing and Risk Management, to award contracts and process contract increases for additional cost plus work on behalf of the Region of Halton under the Memorandum of Understanding (MOU) for a time period extending until the next update to the Town's purchasing by-law No. 061-2018;

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).

A recommendation has also been included with the intention of better positioning the Town to respond the requirements of the Regional road maintenance MOU. This recommendation would better align the purchasing and budget delegated authorities until the next update to the Purchasing By-law, which is anticipated in 2020.



The Corporation of the Town of Milton

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 Schedules A-I, attached.

The Town has entered into a Memorandum of Understanding (MOU) with the Region of Halton to both provide routine operational services and cost plus work. The routine operational work is incorporated into the work plan and included in the contracts that result from formal bid processes.

The cost plus requirements can prove more challenging to predict as additional requests may be received from the Region throughout the year. The Town is obligated to proceed with the work in a timely manner for the Region, and during 2019 this has resulted in more reporting to Council on emergency purchases.

In order to improve the Town's approach in this regard, several actions have been identified. The Town will be working with the Region to more accurately determine the type and volume of work that will be requested for 2020 and future years. Secondly, modifications to the way blanket purchase orders are managed to further segregate Town-related scope of work from Regional work. Finally, included in this report is delegated authority for the Manager of Purchasing and Risk Management to make additional awards or contract increases beyond the Council-approved limits where such awards relate to cost-plus work on behalf of the Region. Under the MOU, all the work orders are reimbursable by the Region for such cost-plus work. Further, the Town's Budget Management Policy allows for spending beyond the approved budget in cases where the net budget impact is neutral or positive and the works remain within existing service levels (Policy 113, Section 4.6 iii(b)). As such, the delegated recommended herein will align the delegated purchasing authority with the budget management authority until the next purchasing by-law review that is currently anticipated in 2020.

Financial Impact

Financial impacts are outlined in detail on the attached Schedules B to I. The resulting funding adjustments are presented on Schedule A, and result in a net overall increase in the approved capital budget of \$20,352.

CORS-066-19 - Schedule A

Summary of Changes in Capital Project Budgets and Funding

Schedule	B	Total Change in Funding Sources Increase / (Decrease)
Project Number	C74010018	
Project Description	Fire Master Plan Update	
Total Approved Project Budget	\$ 110,947	
Project Variance Account		-
Development Charges:		-
Fire DC	20,352	20,352
Total Increase/(Decrease) in Funding	20,352	\$ 20,352
Total Revised Project Budget	\$ 131,299	

CORS-066-18 - Schedule B

COUNCIL AUTHORITY FOR CONTRACT AWARDS

Project Award	Contract Increase with Dillon Consulting for the Fire Master Plan Update
Recommendation	Staff is recommending a contract increase to Dillion Consulting for \$20,000 (exclusive of HST), for additional scope of work to complete the Fire Master Plan.
Purpose of Report	As per Section 10.1 of Purchasing By-law No. 061-2018, Council approval is required.
Background information	<p>Through CORS-035-18 Council approved delegated authority for staff to proceed with the single source award to Dillon Consulting to complete the work required for the update to the Fire Master Plan.</p> <p>The original award for Phase I of the Master Plan was for \$49,976 (exclusive of HST, PDA-047-18). Staff proceeded with Phase II of the Master Plan in the amount of \$54,926 (exclusive of HST, CORS-049-18). The current contract total is \$110,127 (exclusive of HST, original award in the amount of \$104,902 and \$5,225 in change orders to date).</p> <p>Dillon's original scope of work did not include any consultation with the part-time firefighters or any form of public consultation. It is common to include both of these initiatives as they represent current municipal best practices in a fire master planning process. Due to department staffing changes and the uncertainty of the outcomes of the Province's regional government review the delayed scope of work will also include updating previously collected data including the future fire station and infrastructure analysis that Dillon completed as part of the original scope of work for this project.</p> <p>The new contract total will be \$130,127 (exclusive of HST).</p>

Financial Planning Section: Budget Impact (Note 1)

Account Number(s)	C74010018 -A0410-7290
Account Description	Fire Master Plan Update
Project Total Budget	\$110,947
Contract Budget	\$0
Actual <small>(Net of HST Rebate)</small>	\$20,352
Variance	\$20,352 (U)
Funding Source	Development Charges

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

Note 2: Although drawing from the Fire Development Charge Reserve Fund will further the reserve fund deficit, the Town's combined Development Charge reserve funds (excluding services related to a highway) are in a positive position. The shortfall in the

CORS-066-18 - Schedule B

Fire Development Charge Reserve Fund will be included in the next Development Charge Background Study and will be funded through future development charge collections.

CORS-066-19 - Schedule C

COUNCIL AUTHORITY FOR CONTRACT AWARDS

Project Award	Emergency Contract Increase with Maple Hill Tree Services and an emergency award to Diamond Tree Care for additional tree removal, stump grinding and emergency on-call work services and a contract increase to Diamond Tree Care to cover work required until the renewal period of March 31, 2020.
Recommendation	<p>Staff has proceeded with the emergency contract increase to Maple Hill Tree Services in the amount of \$24,983 (exclusive of HST), for Regional requirements covered under the MOU ;</p> <p>An emergency award for additional tree removal, stump grinding and emergency on-call work services was made to Diamond Tree Care in the amount of \$176,162 (exclusive of HST) for Regional requirements covered under the MOU.</p> <p>Staff are also requesting a contract increase of \$50,000 (exclusive of HST) to the Diamond Tree Care contract to cover work required until the renewal period of March 31, 2020.</p>
Purpose of Report	<p>As per Section 11.1 of the Purchasing By-law no. 061-2018 emergency expenditures shall be reported to Council for information.</p> <p>As per Section 7.1.2 of the Purchasing By-law No. 061-2018 Council approval is required.</p>
Background information	<p>The original contract award for RFT #19-062B (PDA-025-19 - Part 2) was made to Maple Hill Tree Services in the total amount of \$60,000 (exclusive of HST). No change orders have been issued to date.</p> <p>The emergency contract increase to Maple Hill Tree Services for \$24,983 (exclusive of HST) is for additional costs related to additional tree pruning and supplemental support system services, for the Region's requirements.</p> <p>The new total for the Maple Hill Tree Services contract is \$84,983 (exclusive of HST).</p> <p>The award of #19-062 B – Part 1 was made to Quality Tree in the total amount of \$98,040. This contractor could manage the work they were awarded but not the additional Regional work. Staff proceeded to make an award to the second lowest compliant bidder, Diamond Tree Care to a total amount of \$176,162 (exclusive of HST), for regional work not originally included in the tender. Staff has completed this work.</p> <p>Staff are also requesting an increase to the Diamond Tree Care</p>

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	<p>blanket order in the total amount of \$50,000 (exclusive of HST), for additional work required for up to the renewal date of the contact, March 31st, 2020</p> <p>The new total of the contract for Diamond Tree Care is \$226,162 (exclusive of taxes).</p>
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Financial Planning Section: Budget Impact (Note 1)

Account Number(s)	0900-0326-3740
Account Description	Regional Road Tree Maintenance - Cost Plus
Project Total Budget	\$0
Contract Budget	\$0
Actual (Net of HST Rebate)	\$255,565
Variance	\$255,565 (U)
Funding Source	Region of Halton (Note 2)

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

Note 2: This will be recovered from the Region of Halton in accordance with the Memorandum of Understanding (MOU) between the Region and the Town.

CORS-066-19 - Schedule D

COUNCIL AUTHORITY FOR CONTRACT AWARDS

Project Award	Contract Increase with Wood Environment and Infrastructure for Professional Consulting Services for the 2019 Asphalt Overlay Program
Recommendation	Staff is recommending the contract increase be awarded to Wood Environment & Infrastructure for 2019 Asphalt Overlay in the total amount of \$51,219 (exclusive of HST).
Purpose of Report	As per Section 10.1 of Purchasing By-law No. 061-2018, Council approval is required.
Background information	<p>The current contract awarded to Wood for 2019 Asphalt Overlay C-18-37 Release #8 is \$367,081 (exclusive of HST). Through CORS-039-18 Council approved the original award for Design Services of the 2019 Asphalt Overlay Program in the amount of \$117,500. To-date there have been four (4) change orders:</p> <ul style="list-style-type: none"> • Change Order No. 1 in the amount of \$11,500 (exclusive of HST) • Change Order No. 2 in the amount of \$226,252 for Contract Administration (exclusive of HST, CORS-021-19) • Change Order No. 3 in the amount of \$7,012 (exclusive of HST) • Change Order No. 4 in the amount of \$4,817 (exclusive of HST). <p>This contract increase of \$51,219 (exclusive of HST) is for full time inspection and contract administration of the four additional road segments.</p> <p>The new contract total will be \$418,300 (exclusive of HST). The hourly rates were established through the RFP process and the hours identified and the staffing proposed have been reviewed and validated by Engineering Services – Infrastructure staff.</p>

Financial Planning Section: Budget Impact (Note 1)

Account Number(s)	C33900019-A0611-7210
Account Description	2019 Asphalt Overlay Construction
Project Total Budget	\$ 4,274,595
Contract Budget	\$ 28,576
Actual (Net of HST Rebate)	\$ 52,120
Variance	\$ 23,544 (U)
Funding Source	Contingency

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

CORS-066-19 - Schedule E

COUNCIL AUTHORITY FOR CONTRACT AWARDS

Project Award	Contract Increase with S. Spera and Associates Ltd. for Property Negotiation Services
Recommendation	Staff are reporting for information the contract increase that was awarded to S. Spera & Associates Ltd., in the estimated total amount of \$89,375 (exclusive of HST).
Purpose of Report	This contract increase was awarded using CAO delegated authority per Section 7.2.2 of Purchasing By-law No. 061-2018.
Background information	<p>The current contract was awarded from bid #18-204 and awarded to S. Spera & Associates Ltd. for property negotiation services for Main Street East between James Snow Parkway and Fifth Line is \$34,375 (exclusive of HST). There have been no change orders to date.</p> <p>This contract increase of \$89,375 (exclusive of HST) is for additional property negotiation services for required road widenings along the northern section of Fifth Line from Hwy. 401 to south of Main Street East. These widenings are required as the reconstruction and widening of this portion of Fifth Line will be included with the contract for the reconstruction and widening of Main Street East from James Snow Parkway to Fifth Line. S. Spera & Associates Ltd. are currently undertaking the property negotiation services on behalf of the Town for Main Street East.</p> <p>The new contract total is \$123,750 (exclusive of HST). The hourly rates were established through the RFP process and the hours identified and the staffing proposed have been reviewed and validated by Engineering Services – Infrastructure staff.</p> <p>As construction on this project as a whole is expected to begin in 2020, the property acquisition process needed to begin as soon as possible and as such section 7.2.2 of the purchasing by-law was utilized.</p>
Financial Planning Section: Budget Impact (Note 1)	
Account Number(s)	C34004618 - A0611 - 7290
Account Description	Fifth Line (Hwy 401 to Derry Road)
Project Total Budget	\$13,302,821
Contract Budget	\$ 0
Actual (Net of HST Rebate)	\$ 90,948
Variance	\$ 90,948 (U)
Funding Source	Contingency

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

CORS-066-18 - Schedule F

COUNCIL AUTHORITY FOR CONTRACT AWARDS

Project Award	Contract Increase with Wood Environment and Infrastructure for Storm Sewer Network Study Phase 2 and 3
Recommendation	Staff is recommending the contract increase be awarded to Wood Environment & Infrastructure for Storm Sewer Network Study Phases 2 and 3 in the total amount of \$250,249 (exclusive of HST).
Purpose of Report	As per Section 10.1 of Purchasing By-law No. 061-2018, Council approval is required.
Background information	<p>Through CORS-047-17 Council approved the single source award to Wood Environment & Infrastructure to provide consulting services for the Storm Sewer Network Study, Phase 1 for Data Collection and Preliminary Infrastructure Needs Assessment in the amount of \$297,686 (exclusive of HST). The current contract total is \$426,186 (exclusive of HST). The original award amount of \$297,686 plus Change Order No. 1 for \$105,000 (CORS-008-18) and Change Order No. 2 for \$23,500.</p> <p>The contract increase of \$250,249 (exclusive of HST) is for consulting services required for Phase 2 and Phase 3 of the Study. The Storm Sewer Network Study is being completed over multiple phases, generally outlined as follows:</p> <ul style="list-style-type: none"> <li style="padding-left: 40px;">Phase 1: Data collection and Preliminary Infrastructure Needs Assessment <li style="padding-left: 40px;">Phase 2: Detailed Modelling and Analytical Assessment <li style="padding-left: 40px;">Phase 3: Final Infrastructure Needs Assessment and Implementation Plan <p>Phase 1 of the Storm Sewer Network Study was initiated in the fall 2017 and is currently nearing completion. The Storm Sewer Network Study / Downtown Core Storm Drainage Master plan phase 2 and 3 will be built from Phase 1 data base information. Details of the scope of the work are outlined in Wood's proposal dated October 23, 2019.</p> <p>The new contract total will be \$676,435 (exclusive of HST). The hours identified and the staffing proposed have been reviewed and validated by Engineering Services – Infrastructure staff.</p> <p>It is anticipated that a 4th phase for detailed design, permitting and construction of this project will be required. If required, a separate report will be presented to Council for approval.</p>

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Financial Planning Section: Budget Impact (Note 1)	
Account Number(s)	C43000218-N0821-7255 C43000219-N0821-7255
Account Description	Storm Sewer Network Study
Project Total Budget	\$ 340,564
Contract Budget	\$ 252,640
Actual (Net of HST Rebate)	\$ 254,653
Variance	\$ 2,013 (U)
Funding Source	Contingency

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

CORS-066-19 - Schedule G

COUNCIL AUTHORITY FOR CONTRACT AWARDS

Project Award	Contract Increase and Emergency Repair Work with Heale Consulting and Management Inc. for Data Centre Maintenance Services.
Recommendation	<p>Staff is recommending the contract increase to Heale Consulting Services and Management Inc. for Data Centre Maintenance Services in the total amount of \$14,900 (exclusive of HST).</p> <p>Secondly, Staff proceeded with the contract award for emergency repairs to the APC UPS System at Fire Station No. 3 to Heale Consulting Services and Management Inc. in the total amount of \$23,145 (exclusive of HST). This award is being received for information.</p>
Purpose of Report	As per Section 7.1.2 of the Purchasing By-law No. 061-2018, Council approval is required. As per Section 11.1 of Purchasing By-law No. 061-2018, emergency expenditures shall be reported to Council for information.
Background information	<p>The current contract awarded to Heale Consulting Services and Management Inc. for Data Centre Maintenance Services is \$32,286 (exclusive of HST) (Original award of \$32,286 with no change orders to date).</p> <p>This contract increase of \$14,900 (exclusive of HST) is required to cover the costs associated with the following:</p> <ul style="list-style-type: none"> • Replacement and installation of two new humidification pans for the Town Hall primary data centre air conditioner units • Replacement and installation of uninterruptable power supply (UPS) batteries in the Town Hall primary data centre • Replacement of a faulty air conditioner condenser fan motor for the Fire Station 2 backup data centre • Repair of a leaking refrigeration coil on the cooling system in the main I.T. room at the Mattamy National Cycling Centre. <p>These repairs are required in order to maintain normal operation of the I.T. equipment providing network connectivity within these facilities. The new contract total will be \$70,330 (exclusive of HST).</p> <p>Emergency repairs were completed in the amount of \$23,145 (exclusive of HST) to the Fire Station 3 UPS systems and A/C systems that are critical to maintaining operation of the 911 communication and dispatch systems for the Fire Department. The repairs included:</p> <ul style="list-style-type: none"> • Failed power module and batteries in the UPS • Replacing failed components on both A/C units there.

CORS-066-19 - Schedule G

Financial Planning Section: Budget Impact (Note 1)	
Account Number(s)	2216-3945
Account Description	Technology Services Programs-Service Agreements-Data Centre Maintenance Services
Contract Budget	\$ 32,854
Actual (Net of HST Rebate)	\$ 71,567
Variance (Note 2)	\$ 38,714 (U)
Funding Source	Operating Fund

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

Note 2: The variance will be managed within overall Technology Services Programs budget.

CORS-066-18 - Schedule H

COUNCIL AUTHORITY FOR CONTRACT AWARDS	
Project Award	Emergency Contract Award for Soccer Dome Repair
Recommendation	Staff proceeded with the contract award for the emergency repairs to Farley Group in the total amount of \$63,585 (exclusive of HST). This award is being received for information.
Purpose of Report	As per Section 11.1 of Purchasing By-law No. 061-2018, emergency expenditures shall be reported to Council for information.
Background information	<p>The original contract award from tender #19-251, to Farley Group was in the amount of \$117,260 (exclusive of HST). The emergency change orders have been issued, as outlined in this report, for \$63,585 (exclusive of HST).</p> <p>Repairs to the turf and dome structure itself were required due to wind damage and wear and tear over the last season to ensure that the dome could safely be put up for this season. Staff also changed how the sections and fasteners for the dome were configured, to make for a more efficient and less labour intensive installation.</p> <p>The new contract total is \$180,845 (exclusive of HST).</p>
Financial Planning Section: Budget Impact (Note 1)	
Account Number(s)	F1350-1320-3740
Account Description	Indoor Turf Town/HCDSB-Facility Maintenance-Contracts
Project Total Budget	N/A
Contract Budget	\$0
Actual (Net of HST Rebate)	\$64,704
Variance	\$64,704 (U)
Funding Source	Operating Fund

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

CORS-066-19 - Schedule I

COUNCIL AUTHORITY FOR CONTRACT AWARDS

Project Award	Single Source award to Joe Johnson Equipment for the purchase of the trackless tractor.
Recommendation	Staff is recommending the single source award to Joe Johnson Equipment for the purchase of a Trackless Tractor in the total amount of \$133,980 (exclusive of HST).
Purpose of Report	As per Section 10.1 of Purchasing By-law No. 061-2018, Council approval is required.
Background information	<p>This vehicle (Unit #2006) is no longer operational due to a recent engine breakdown. This vehicle accommodates many attachments and is used year round for maintenance activities. The Town currently has five (5) trackless tractors and all attachments are interchangeable allowing for greater flexibility.</p> <p>The cost to replace the engine is approximately \$25,000. This unit is 10 years old with items that need to be updated including brakes, hydraulics pump, oil cooler, radiator and wiring harness. The cost to maintain this vehicle outweighs its current value.</p> <p>The 2019 budget provided authorization to proceed with the 2020 capital expenditures and revenues sources for this replacement given the lead times involved (see staff report CORS-068-18).</p> <p>A Single Source to Joe Johnson Equipment, the Ontario distributor for Trackless Vehicles is being recommended.</p>
Financial Planning Section: Budget Impact (Note 1)	
Account Number(s)	C45013220-A1610-7110
Account Description	Multifunctional Tractor
Project Total Budget	\$161,308
Contract Budget	\$155,510
Actual (Net of HST Rebate)	\$136,338
Variance	\$19,172 (F) (Note 2)
Funding Source	Equipment Replacement Reserve

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

Note 2: Staff recommend that the favourable variance remain in the project until final delivery and invoicing has occurred.