



The Corporation of the Town of Milton

Report To: Council

From: Glen Cowan, Chief Financial Officer/Treasurer

Date: October 19, 2020

Report No: CORS-052-20

Subject: Purchasing Various - October

Recommendation: THAT the contract increase to Wood Environment and Infrastructure Solutions for contract administration related to 2018 Asphalt Overlay in the total amount of \$11,287 (exclusive of HST) be approved as outlined on Schedule A;

THAT the contract increase to GM Blue Plan Engineering Limited for contract administration for Bronte Street and Commercial Street Rehabilitation in the total amount of \$34,819 (exclusive of HST) be approved as outlined on Schedule B;

THAT the contract increase to for WSP Canada Group for a Salt Impact Study in the total amount of \$17,547 (exclusive of HST) be approved as outlined on Schedule C;

THAT the contract increase to Quality Tree Service for Suburban Tree Removal, Stumping and Emergency Work in the total amount of \$50,000 (exclusive of HST) be approved as outlined on Schedule D;

THAT the contract increase to Maple Hill Tree Services for Tree Pruning and Supplemental Support Systems in the total amount of \$100,000 (exclusive of HST) be approved as outlined on Schedule E;

THAT Council provide the Manager, Purchasing and Risk Management with delegated authority to approve contract

extensions in relation to COVID-19 impacts subject to the following conditions:

- The existing service contract must be either listed in Schedule F of this report or satisfy the same conditions as described in Schedule F with respect to COVID-19 interruption of service;
- The maximum term of extension must be the lesser of the period for which actual services were interrupted due to COVID-19 or one year;
- The extensions shall be based on current terms of the existing contracts including performance measures and are subject to approved budget and price negotiations;
- That the Manager, Purchasing and Risk Management report back to Council the value of any extensions approved through the delegated authority provided.

THAT the single source award for the turnkey solar panel installation, at the Sherwood Community Centre, in the total amount of \$1,165,500 (exclusive of HST) to Milton Energy and Generation Solutions Inc. (MEGS) be approved as outlined on Schedule G;

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 Schedules (A to G) attached.

Contract Extensions due to COVID-19

During 2019, and as a result of COVID-19 and the resulting precautionary measures taken by the Town and the community more broadly, a number of the Town's existing contracts were suspended for non-essential services or significantly reduced for essential services. The Town's suppliers were all very cooperative with the contract changes and the Town did not incur any penalties relating to these adjustments. Staff are now requesting authority to extend a number of these contracts for a period that is equivalent to the time of reduced or suspended service. This measure is expected to ensure continuity of service for the Town in the short term, and provide to the Town's vendors a timeframe that more closely resembles what could have been anticipated at the time the bid awards were originally made. In addition to further strengthening the Town's reputation and relationships, this measure may also provide flexibility to the Town to manage the continuing impacts of COVID-19 in so far as the extra time afforded before going to market to bid may ensure a more stable and therefore competitive bid process. A number of parameters associated with these extensions have been articulated in the recommendation where delegated authority is being requested, and any resulting extensions awarded will be reported back to Council in 2021.

Additional Tree Services

Also included in this report are two recommendations to increase existing tree services contracts. An opportunity has been identified to allow the Town to address a portion of the backlog of service requests utilizing savings that have been generated within other operations contracts during 2020. Although those savings will also be utilized to address the overall financial pressure on the Town that has resulted from COVID-19, staff have considered the value in reducing the amount of outstanding tree removal and



pruning works and are therefore recommending utilizing a portion of the funds for this purpose.

Solar Panel Award

The Sherwood Community Centre was engineered for the installation of solar panels on the roof and the use of the power generated for the operation of the facility. As part of the Green Innovation work plan, staff have been working with Milton Hydro (MEGS) on this initiative to increase renewable energy solutions at Town facilities.

MEGS is providing a full turnkey service to the Town for the design, supply and installation of the solar panels. The Town's contractual arrangement will be with MEGS for this project. As part of this process, MEGS issued a bid to the market and have selected a preferred contractor from the four bidding firms in order to do the supply and installation. The evaluation considered several sizes of installation (partial vs. full coverage, various energy output levels, etc.), as well as the financial cost and benefit related to each. The option selected will entail coverage of the full facility (as opposed to just the arena), and offers the best payback period of 11.6 years should the value of the energy produced be fully utilized. The larger sizing is most consistent with the Town's Green innovation plan, and provides options to allow for future enhancement as technology and or energy regulations evolve. Separate award of a related battery will likely be required at a future date, and a separate request for authority from Council will be presented at that time.

Financial Impact

Financial impacts are outlined in detail on the attached Schedules A through G and result in no required funding adjustments or changes to approved capital budgets.

Respectfully submitted,

Glen Cowan
Chief Financial Officer/ Treasurer

For questions, please contact: Michelle Rasiulis, CSCMP, CPPB 905-878-7252, x2143
For questions, please contact: Deanne Peter, B.Comm., MBA 905-878-7252, x2316

Attachments



The Corporation of the Town of Milton

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Schedule A – Contract Increase to Wood Environmental & Infrastructure Solution
(2018 Asphalt Overlay Program)

Schedule B - Contract Increase to GM Blue Plan (Commercial & Bronte St.)

Schedule C – Contract Increase to WSP Canada Group (Salt Impact Study)

Schedule D – Contract Increase for Quality Tree Service

Schedule E - Contract Increase for Maple Hill Tree Services

Schedule F – Contract Extensions related to COVID-19 suspension of services

Schedule G - Contract Award for Sherwood Community Centre - Solar Panels
Installation

CAO Approval
Andrew M. Siltala
Chief Administrative Officer

COUNCIL AUTHORITY FOR CONTRACT AWARDS

Project Award	Contract Increase for Wood Environment and Infrastructure Solutions for Contract Administration on the 2018 Asphalt Overlay Program.
Recommendation	Staff are recommending a contract increase to Wood Environment and Infrastructure Solutions for Contract Administration related to 2018 Asphalt Overlay in the total amount of \$11,287 (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 Environment and Infrastructure Solutions for 2018 Asphalt Overlay Contract Administration is in the total amount of \$190,153 (exclusive of HST). This contract was awarded as a result of the previous roster process. The original award was in the total amount of \$151,524 (exclusive of HST). Change orders to-date are in the total amount of \$38,629 (exclusive of HST), Reference CORS-003-18.</p> <p>This contract increase in the total amount of \$11,287 (exclusive of HST) is for additional effort required on the concrete work by the contractor. The additional work from Wood Environment and Infrastructure Solutions is required prior to the expiration of the warranty for the 18-097 contract related to the following tasks:</p> <ul style="list-style-type: none"> • Project Management • Contract administration • Inspections • Geotechnical-technical support. <p>Staff have satisfied themselves that the rates used are consistent with previous rates charged under this contract and further, are consistent with those in the initial request for proposal. The new contract total will be in the amount of \$201,440 (exclusive of HST).</p>
Financial Planning Section: Budget Impact (Note 1)	
Account Number(s)	C33900018-A0611-7210
Account Description	2018 Asphalt overlay
Project Total Budget	\$2,818,721
Contract Budget	\$11,630
Actual (Net of HST Rebate)	\$11,486
Variance (Note 1)	\$ 144(F)
Funding Source	Federal Gas Tax, Development Charges

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

Note 2: Staff is recommending that the favorable variance remain in the project at this time.

**COUNCIL AUTHORITY FOR CONTRACT AWARDS
CONTRACT INCREASE**

Project Award	Contract Increase for GM Blue Plan Engineering Limited for contract Administration Bronte Street and Commercial Street Rehabilitation
Recommendation	Staff are recommending a contract increase to GM Blue Plan Engineering Limited for the Contract Administration related to Bronte Street and Commercial Street Rehabilitation in the total amount of \$34,819 (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 GM Blue Plan Engineering Limited for the Design and Contract Administration Bronte Street and Commercial Street Rehabilitation is in the total amount of \$306,559 (exclusive of HST). The original award was in the total amount of \$171,681 (exclusive of HST) and was primarily for design services. Change orders for renewal terms have been issued in the total amount of \$134,878 (exclusive of HST) and included contract administration services.</p> <p>This contract increase in the total amount of \$34,819 (exclusive of HST) is for additional effort due to changes to the construction scope, delays encountered during construction and associated working days causing the original critical path schedule to be impacted.</p> <p>The following is a summary of the changes and delays:</p> <p><u>Bronte Street:</u></p> <ul style="list-style-type: none"> • Verification of Storm leads • Installation of leads and services • Additional work 56 and 112 B Bronte St <p><u>Commercial Street:</u></p> <ul style="list-style-type: none"> • Verification and installation of Storm service and CB leads • Additional work at the intersections of Commercial and Sydney St and Commercial and Pine St • Implementation of full depth asphalt removals <p>The noted changes and challenges during construction caused the increase in time and effort for:</p> <ul style="list-style-type: none"> • Project Management • Contract administration • Inspections • Geotechnical-technical support <p>Staff have satisfied themselves that the rates used are consistent with previous rates charged under this contract and further, are</p>

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	<p>consistent with those in the initial request for proposal.</p> <p>The total contract increase is in the total amount of \$34,819 (exclusive of HST).</p> <p>The new contract total will is in the total amount of \$341,378 (exclusive of HST).</p>
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Financial Planning Section: Budget Impact (Note 1)

Account Number(s)	C33014820-A0611-7210	C33014720-A0611-7210
Account Description	Bronte St Rehabilitation	Commercial St Rehabilitation
Project Total Budget	\$2,569,434	\$1,215,977
Contract Budget	\$0	\$0
Actual (Net of HST Rebate)	\$28,076	\$7,357
Variance	\$28,076 (U)	\$7,357 (U)
Funding Source	Contingency	Contingency

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

**COUNCIL AUTHORITY FOR CONTRACT AWARDS
CONTRACT INCREASE**

Project Award	Consulting Services for the 2020 Brookville Operations Centre Salt Impact Study
Recommendation	Staff are recommending a contract increase for WSP Canada Group in the total amount of \$17,547 (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 Brookville Operations Centre Salt Impact Study is an annual program where the goal is to monitor the concentrations of sodium, chloride, total dissolved solids (TDS) and pH in the groundwater and surface water within the Brookville community, specifically within the area surrounding the Brookville Operations Yard. The deliverables of this program have been identified in WSP's RFP submission.</p> <p>This award is part of the Town's annual single source list. The approved estimated amount for the 2020 program awarded through CORS-076-19 was for \$26,533 (excluding HST). The actual amount required is \$44,080 (excluding HST) and reflects the additional testing requirements that are reflected in the scope of work. Staff are requesting approval of the amount required in addition to the pre-approved budget to satisfy the actual requirement of the 2020 program.</p> <p>This contract increase of \$17,547 (exclusive of HST).</p> <p>The new contract total will be \$44,080 (exclusive of HST).</p>

Financial Planning Section: Budget Impact (Note 1)

Account Number(s)	F1620-1320-3740
Account Description	Brookville Groundwater Monitoring
Project Total Budget	NA
Contract Budget	\$27,000
Actual (Net of HST Rebate)	\$44,856
Variance	\$17,856 (U)
Funding Source	Operating Budget

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

**COUNCIL AUTHORITY FOR CONTRACT AWARDS
CONTRACT INCREASE**

Project Award	Quality Tree Service - C-20-30 - Suburban Tree Removal, Stumping and Emergency Work.
Recommendation	Staff are seeking approval to proceed with a contract increase for Quality Tree Service in the total amount of \$50,000 (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 Quality Tree Service for “Suburban Tree Removal, Stumping and Emergency Work” is in the amount of \$52,500 (exclusive of HST). No change orders have been issued yet at this time.</p> <p>An opportunity has been identified to allow the Town to address a portion of the backlog of service requests within the urban area utilizing savings that have been generated within other operations contracts during 2020 in areas such as sidewalk and road maintenance. Although those savings will also be utilized to address the overall financial pressure on the Town that has resulted from COVID-19, staff have considered the value in reducing the amount of outstanding tree removals or pruning requirements and are therefore recommending utilizing a portion of the funds for this purpose.</p> <p>The additional work will be completed using the tendered prices awarded for this contract. The \$50,000 increase is expected to result in removing known dead trees and pruning trees along various urban trail segments for trail clearances.</p> <p>The contract increase amount of \$50,000 (exclusive of HST) will be drawn from various sources in the Operations budget where savings have materialized in 2020.</p> <p>The new contract total will be \$102,500 (exclusive of HST).</p>

Financial Planning Section: Budget Impact (Note 1)

Account Number(s)	0300 0325 3740
Account Description	Tree Maintenance and Replacement
Project Total Budget	NA
Contract Budget	\$53,424
Actual (Net of HST Rebate)	\$104,304
Variance	\$50,880 (U) (Note 2)

Funding Source

Operations Operating Budget

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

Note 2: Additional spend in tree removal / pruning will be funded from various other contract savings that have been identified in Operations during 2020. The Town's overall financial position continues to be affected by COVID-19 related pressures, so the balance of savings in Operations will be utilized to offset those impacts. The most recent forecast for 2020 was presented via report CORS-051-20, with the next comprehensive review to be presented in November with September month end figures.

**COUNCIL AUTHORITY FOR CONTRACT AWARDS
CONTRACT INCREASE**

Project Award	Maple Hill Tree Services - C-20-32 – Tree Pruning and Supplemental Support Systems.
Recommendation	Staff are seeking approval to proceed with a contract increase for Maple Hill Tree Services for Tree Pruning and Supplemental Support Systems in the total amount of \$100,000 (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 Maple Hill Tree Services for “Tree Pruning and Supplemental Support Systems” is in the amount of \$120,000 (exclusive of HST). No change orders have been issued at this time.</p> <p>An opportunity has been identified to allow the Town to address a portion of the backlog of identified Neighbourhood by Neighbourhood Road Right-of-Way Clearance Pruning works utilizing savings that have been generated within other operations contracts during other 2020 in areas such as sidewalk and road maintenance. Although those savings will also be utilized to address the overall financial pressure on the Town that has resulted from COVID-19, staff have considered the value in reducing the amount of outstanding Neighbourhood by Neighbourhood block pruning works and are therefore recommending utilizing a portion of the funds for this purpose.</p> <p>The additional work will be completed using the tendered prices awarded for this contract. The \$100,000 increase is expected to result in street tree pruning of Timberlea Neighbourhood and potentially working into the Bronte Meadows Neighbourhood. The speed of completion depends of species types and maturity of the trees (ie. Honey locust trees generally take more time to prune than maple trees considering trees of similar age and size, due to differing plant morphology).</p> <p>The contract increase amount of \$100,000 (exclusive of HST) will be drawn from various sources in the Operations budget where savings have materialized in 2020.</p> <p>The new contract total will be \$220,000 (exclusive of HST).</p>

Financial Planning Section: Budget Impact (Note 1)	
Account Number(s)	0300 0325 3740
Account Description	Tree Maintenance and Replacement
Project Total Budget	NA
Contract Budget	\$122,112
Actual (Net of HST Rebate)	\$223,872
Variance	\$101,760 (U) (note 2)
Funding Source	Operations Operating Budget

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

Note 2: Additional spend in tree pruning will be funded from various other contract savings that have been identified in Operations during 2020. The Town's overall financial position continues to be affected by COVID-19 related pressures, so the balance of savings in Operations will be utilized to offset those impacts. The most recent forecast for 2020 was presented via report CORS-051-20, with the next comprehensive review to be presented in November with September month end figures.

**COUNCIL AUTHORITY FOR CONTRACT AWARDS
CONTRACT INCREASE**

Project Award	Contract term extensions due to COVID-19 related operational changes impacting Town contracts.
Recommendation	<p>Staff are requesting that the Manager, Purchasing and Risk Management be delegated authority to approve contract extensions in relation to COVID-19 impacts subject to the following conditions:</p> <ul style="list-style-type: none"> - The existing service contract must be either listed in Schedule D of this report or satisfy the same conditions as described in Schedule D with respect to COVID-19 interruption of service; - The maximum term of extension must be the lesser of the period for which actual services were interrupted due to COVID-19 or one year; - The extensions shall be based on current terms of the existing contracts including performance measures and are subject to approved budget and price negotiations; - That the Manager, Purchasing and Risk Management report back to Council the value of any extensions approved through the delegated authority provided.
Purpose of Report	As per Section 10.1 of Purchasing By-law No. 061-2018, Council approval is required.
Background information	<p>On April 3, 2020, the Ontario government announced it was reducing the list of businesses and services classified as essential and ordering more workplaces to close to prevent the spread of COVID-19 and protect the health of the people of Ontario. By way of an amendment to O. Reg. 82/20 under the Emergency Management and Civil Protection Act, the Province ordered all businesses not covered by the updated Emergency Order to close effective as of Saturday, April 4, 2020 at 11:59 p.m.</p> <p>Upon receipt of the order, subsequent facility closures and operational changes, contracts were suspended for non-essential services and significantly reduced for essential services. These suppliers were all very cooperative with the contract changes and the Town did not incur any penalties relating to these contracts.</p> <p>Staff are requesting that Council approve extending these contracts (and any others that may arise, in a similar situation) by up to an equivalent amount of time that the contracts were suspended/reduced for. These extensions will be handled under the current terms of the contracts, including performance measures, budgets and price negotiations. In addition to further strengthening the Town's reputation and relationships, this measure may also provide flexibility to the Town to manage the continuing impacts of COVID-19 in so far as the extra time</p>

	<p>afforded before going to market to bid may ensure a more stable and therefore competitive bid process.</p> <p>Staff will report back to Council with the actual costs associated with the extensions.</p>
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Financial Planning Section: Budget Impact

The contracts identified in the table below have been suspended or significantly reduced as a result of the Emergency Order to close and/or continued reductions in volume thereafter. Savings will be reported through the Operating Variance process.

The extension of these contracts, by the time the contracts were suspended or reduced, is expected to have minimal to no financial impact as they are already considered as part of the Town's approved budget. The extensions will continue under the current terms of the contract which will be taken into consideration through the development of the 2021 budget.

Affected Service Contracts	
Contract Name	Annual Estimated Cost
Mat Rental	\$20,964
Pool Chemicals & Bulk Chlorine	\$49,806
Culvert Pipe & Couplers	\$28,800
Surface Treatment	\$624,079
Shredding	\$1,989
Portable Toilets	\$25,665
Sanitary Disposal Systems	\$14,297
REVENUE - Full Service Snack Vending Machines	(\$40,808)
REVENUE/Supply of Cold Drinks Concessions	(\$24,053)
Printing (General Office)	\$123,600
Bussing - Day Camps	\$60,139
REVENUE - Digital Media Services	(\$3,000)
Sidewalk Reconstruction (Remove & Replace)	\$78,556
Armored Courier Services	\$13,603
Internal Mail Distribution Services (Courier)	\$30,400
Water Treatment Services	\$11,736
Fitness Equipment Maintenance	\$10,163
Plumbing Services (Facilities & Operations (JC))	\$29,589
Electrical Services (facilities & Operations (JC))	\$33,417
Janitorial Services - All Facilities	\$84,746
REVENUE - Sports Pro Shop	(\$5,250)
Swimming Lesson Provider	\$56,000
Ticketing for the Velodrome	\$30,000
Concession Confectionery Products	\$39,623
Concession Food & Related Products	\$171,150
Parking Ticket Processing Services	\$137,218
Beer for FirstOntario Centre for the Arts	\$10,000
Blade Sharpening	\$16,000
Swimming Pool Repairs, Filter Repairs, Start Up & Shut Down	\$23,248
Sound System Repairs	\$1,000
Dome installation/removal	\$245,649
Parking Enforcement Services	\$177,439
Rental Equipment for the Street Festival	\$3,659
Bonded Courier & Related Revenue Services	\$38,821
Total Annual Estimated Amount (exclusive of HST)	\$2,212,167

COUNCIL AUTHORITY FOR SINGLE SOURCE CONTRACT AWARD

Project Award	Single Source Award to Milton Hydro MEGS, for the turnkey installation of solar panels at the Sherwood Community Centre.
Recommendation	Staff are recommending the single source award for the turnkey solar panel installation, at the Sherwood Community Centre, in the total amount of \$1,165,500 (exclusive of HST).
Purpose of Report	As per Section 10.1 of Purchasing By-law No. 061-2018, Council approval is required for tender awards over \$1,000,000.
Background information	<p>The design of Sherwood Community Centre includes a number of elements to improve the overall efficiency of the facility from a "Green" perspective. The facility was engineered for the installation of solar panels on the roof and use power generated for the operation of the facility. As part of the Green Innovation work plan, staff have been working with Milton Hydro (MEGS) on this initiative to increase renewable energy solutions at Town facilities.</p> <p>Milton Hydro (MEGS) is providing a full turnkey service to the Town for the design, supply and installation of the solar panels. The Town's contractual arrangement will be with MEGS for this project. As part of this process, MEGS issued a bid to the market and have selected a preferred contractor from the four bidding firms in order to do the supply and installation. The evaluation considered several sizes of installation (partial vs. full coverage, various energy output levels, etc.), as well as the financial cost and benefit related to each. The option selected will entail coverage of the full facility (as opposed to just the arena), and offers the best payback period of 11.6 years should the value of the energy produced be fully utilized. The larger sizing is most consistent with the Town's Green innovation plan, and provides options to allow for future enhancement as technology and or energy regulations evolve.</p> <p>In order to fully capture the benefit of the energy produced by these solar panels, the purchase of a storage battery will likely be required. The authority to proceed with any such acquisition will be communicated through a subsequent report to Council.</p> <p>This project is environmentally friendly, and will contribute to the bottom line by reducing hydro costs at Sherwood Community Centre. Final details with respect to the agreement between the Town and MEGS require finalization prior to execution, and will consider language with respect to obligations, performance and warranty. In order to ensure that installation of the solar panels can occur within 2020, authority to award is being requested at this time based on the results of the bid process undertaken by MEGS. Staff from Community Services and Finance will review the agreement prior to finalization, as will the Town's legal Counsel as is necessary.</p>

Financial Planning Section: Budget Impact (Note 1)		
Account Number(s)	C59220816-A1634-7635	C59800016-A1640-7635
Account Description	Sherwood Community Centre	Library – New Branch Buildings
Project Total Budget	\$43,457,078	\$6,707,822
Contract Budget	\$1,466,692	\$1,286,148
Actual (Net of HST Rebate)	\$1,041,319	\$144,694
Variance (Note 2)	\$425,373 (F)	\$1,141,454 (F)
Funding Source	NA	NA

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

Note 2: Staff is requesting that the favourable variance remain in the project to accommodate additional purchases.