



The Corporation of the Town of Milton

Report To: Council

From: Glen Cowan, Chief Financial Officer / Treasurer

Date: March 22, 2021

Report No: CORS-014-21

Subject: Purchasing Various

Recommendation: THAT the contract renewal by delegated authority to Marsh Canada for Town's insurance policy portfolio and risk management services in the total amount of \$806,681 (inclusive of 8% PST) as outlined on Schedule A be received for information;

THAT the contract renewal to Wood Environment & Infrastructure Solutions for the 2021 Asphalt Overlay Program for the contract administration portion in the total amount of \$451,325 (exclusive of HST) be approved as outlined on Schedule B;

THAT Council provide delegated authority to award additional contract administration services to Wood Environment & Infrastructure Solutions for 2021 Asphalt Overlay Program should the tender be awarded to two (2) contractors in the total amount of \$29,250 (exclusive of HST) as outlined in Schedule B;

THAT the contract extension to Rodsan Landscaping & Services Ltd. through to June 30, 2021 for the Spring Tree Planting Program in the amount of \$347,797 (exclusive of HST) be received for information as outlined on Schedule C;

THAT the single source award to CIMA+ for Detailed Design & Contract Administration for the 2022 Expanded Asphalt Program in the total amount of \$305,595 (exclusive of HST) be approved as outlined on Schedule D;

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.

EXECUTVE 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 through D) attached.

Included in this report is an update on the Town's 2021 insurance program that has been awarded through the authority provided in report CORS-058-20. As noted in that report, challenging market conditions were expected to have a result on the prices and programs that were available to the Town. Staff worked with the Town's broker to arrive at renewal terms within these conditions and constraints, with several notable changes for Council's awareness. The pricing available for premiums has increased for the Town by approximately 25%, and a contagious disease exclusion was introduced. Limitations have also been introduced for the degree of Excess WSIB coverage that will be available to the Town, with full coverage for the Town only extending to March 1, 2021. This additional form of risk mitigation (i.e. Excess WSIB coverage) is not common amongst all municipalities, and staff continue to investigate alternatives. Further analysis and recommendations will be presented to Council following completion of the still on-going assessment that staff are undertaking in collaboration with the Town's broker.

Financial Impact

Financial impacts are outlined in detail on the attached Schedules A through D. There is no net change in the approved capital budget.



The Corporation of the Town of Milton

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Financial Impact

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

Schedule A – Contract Renewal for Insurance Policies
Schedule B – Contract Renewal for Asphalt Overlay Program – Contract Administration
Schedule C – Contract Extension for Spring Tree Planting Program
Schedule D - Single Source for Expanded Asphalt Program – Design and Contract Administration

CAO Approval
Andrew M. Siltala
Chief Administrative Officer

**COUNCIL AUTHORITY FOR CONTRACT AWARDS
CONTRACT RENEWAL**

Project Award	RFP #16-055 Contract renewal for the Fifth (5 th) year of the Town's insurance policy portfolio and risk management services for the fifth year.										
Recommendation	Staff are requesting the contract renewal for the fifth (5th) year to Marsh Canada for the Town's insurance policy portfolio and risk management service be received for information, the total amount of \$806,681 (including the 8% PST)										
Purpose of Report	To provide an update with regard to the results of the negotiations and coverage for 2021.										
Background information	<p>The RFP for Insurance and Risk Management Services was awarded to JLT Canada (now Marsh Canada) on CORS-061-16 for a three-year period (January 1, 2017-December 31, 2019). There were options to renew for additional years.</p> <p>The following outlines the premiums paid over the past four (4) year period:</p> <table border="1" data-bbox="688 852 1495 1041"> <thead> <tr> <th colspan="2">4 Year Total Premium Comparison (incl. taxes and fees)</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>\$728,785.10</td> </tr> <tr> <td>2018</td> <td>\$771,667.08</td> </tr> <tr> <td>2019</td> <td>\$796,108.88</td> </tr> <tr> <td>2020</td> <td>\$844,900.00</td> </tr> </tbody> </table> <p>Staff were provided delegated authority to award a fifth year renewal through report CORS-058-20. The contract was renewed for a fifth one-year term for the period January 1, 2021 to December 31, 2021.</p> <p>The Town's insurance policy portfolio and risk management services saw an increase in premium in the approximate amount of 25% for the overall program. Individual liability policies as well as the Town's blanket property policy and automobile policy within the program experienced increases as a result of current market conditions for coverage. The blanket property policy and the automobile policy also saw some increase in premiums due to additions to the Town's asset inventory (Fire Station #5, new fleet vehicles) as well as updates/renovations to other facilities, which increased their value.</p> <p>In general, many Ontario municipalities experienced significant increases for 2021 renewals, as well as limitations on coverage.</p> <p>There were some changes to the coverage in the various polices, including:</p>	4 Year Total Premium Comparison (incl. taxes and fees)		2017	\$728,785.10	2018	\$771,667.08	2019	\$796,108.88	2020	\$844,900.00
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2019	\$796,108.88										
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1. Most policies under the program for the 2021 include a communicable disease exclusion, which can be attributed to the Coronavirus Pandemic that was experienced in 2020.
2. Full coverage of the WSIB excess liability was only extended until March 1, 2021. Staff continue to negotiate and work with the insurers to obtain coverage under the Excess WSIB Policy. The previous carrier, Chubb, has indicated they will be placing restrictions on the coverage provided for firefighters due to the presumptive legislation put into place regarding prescribed cancers and their presumption to be work related occupational diseases.

The total premium in 2020 for the Town's insurance program was in the total amount of \$705,037 (excluding HST and fees). The renewal for 2021 has a premium of \$703,533. This figure excludes applicable taxes and fees, the event and user group policy and includes a partial premium for the Excess WSIB Policy attributable to the extension period of 2 months. Following staff's continued investigations regarding the Town's options for the Excess WSIB, opening up of the province to allow events and rental coverage for the user group policy, there could be additional premium owing to the insurer for the balance of 2021.

The new contract will be in the total amount of \$3,948,142, subject to any additional premium owing for the Excess WSIB in 2021.

Financial Planning Section: Budget Impact (Note 1)

Account Number(s)	Various Departments – 3798/3799
Account Description	Insurance - WSIB Excess/ Insurance
Project Total Budget	N/A
Contract Budget	\$ 899,336.00
Actual (Note 1)	\$ 806,681.40
Variance (Note 1)	\$ 92,654.60 (F)
Funding Source	2021 Operating Budget

Note 1: Financial impact includes the applicable non-rebatable Ontario insurance tax of 8%.

Note 2: Any resulting financial impact as a result of the contract renewal and inclusion of excess WSIB coverage, will be reflected in the operating variance process in 2021. The favorable variance is to remain in the account at this time pending the potential future additions outlined herein.

**COUNCIL AUTHORITY FOR CONTRACT AWARDS
CONTRACT RENEWAL**

Project Award	Contract Renewal - Request for Proposal 19-051-14 for the 2021 Asphalt Overlay Program – Contract Administration
Recommendation	<p>Staff are recommending a contract renewal to Wood Environment & Infrastructure Solutions for the 2021 Asphalt Overlay Program for the contract administration portion in the total amount of \$451,325 (exclusive of HST).</p> <p>Staff are requesting Delegated Authority to award a contract increase to Wood Environment & Infrastructure Solutions in the total amount of \$29,250 (exclusive of HST), in the event staff award the tender for 2021 AOL construction to two (2) contractors as additional funding will be required for contract administration.</p>
Purpose of Report	As per Section 10.1 of Purchasing By-law No. 061-2018, Council approval is required.
Background information	<p>In 2019, RFP 19-051-14 for the Asphalt Overlay Design Program was awarded to Wood Environment & Infrastructure Solutions for the design amount of \$204,908 (exclusive of HST) under PDA-CRAN 19-051-14 for a one (1) year term. In March 2020, Staff awarded the contract administration portion of the 2020 program through a contract increase for \$359,856 (exclusive of HST) under CORS-15-20. This contract allowed for two (2) additional one (1) year terms.</p> <p>In July of 2020, staff exercised the first renewal option and through this process, Wood submitted a proposal to renew the contract for the 2021 Asphalt Overlay Program. All terms and conditions of the original RFP 19-051-14 remained the same. The design work was awarded through CORS-038-20 for \$294,848. The preliminary assessment for the 2021 Asphalt Overlay Program was completed in early fall of 2020. After further road assessments and geotechnical investigations were completed, it was determined that additional road work was to be included in the 2021 Asphalt Overlay Program. The study of the additional roads was conducted in late fall 2020. A change order for the additional design work was issued through PDA-055-20 and CORS-058-20 in the amount of \$84,907 (exclusive of HST).</p> <p>This contract renewal in the total amount of \$451,325 (exclusive of HST) is for 2021 Asphalt Overlay contract administration, inspection and material testing for the 2021 program. In the event staff award the tender for 2021 AOL construction to two (2) contractors, additional funding will be required for Contract Administration in the total amount of \$29,250 (exclusive of HST).</p>

The estimate for the contract administration was in the total amount of \$325,790 (exclusive of HST). The cost increase is due to the complexity of the 2021 program. During design, the magnitude of the scope became apparent and provided an improved understanding of the requirements and the overall project scope.

The following highlights the reasons for the cost differential:

- During the geotechnical investigation, it was identified that several road segments included in the request for proposal were suitable for basic resurfacing (R1) and more roads segment could be included in the 2021 program, resulting in a larger program than initially anticipated.
- The duration of the construction period has increased due to the increased road kilometers that are to be completed in the 2021 program.
- This year's program include a major local collectors such as Thompson Road (Main to Maple Avenue), Clark Boulevard, Trudeau Avenue, Tupper Drive. An additional part-time inspector is required due to the size of the contract and to ensure that the roads will be under full-time supervision during construction.
- The top asphalt layer for the roads identified may require replacement at night. Echelon paving is going to be implemented to improve asphalt quality and minimize traffic disturbances.
- Construction is scheduled from May to September 2021 and there is potential for an extension of the contract due to the size and complexity of the project.

If savings are identified during construction, there may be an opportunity to treat additional roads.

The new contract will be in the amount of \$1,425,094 (exclusive of HST).

Financial Planning Section: Budget Impact (Note 1)

Account Number(s)	C33900021
Account Description	2021 Asphalt Overlay Program (Construction)
Project Total Budget	\$10,532,883
Contract Budget	\$331,524
Actual (Net of HST Rebate)	\$489,033
Variance	\$157,509 (U)
Funding Source	Variance within the project

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

**COUNCIL AUTHORITY FOR CONTRACT AWARDS
CONTRACT EXTENSION**

Project Award	2021 Spring Tree Planting Services
Recommendation	Staff are presenting the contract extension to Rodsan Landscaping & Services Ltd. for the 2021 Spring Tree planting program, for the period January 1 to June 30, 2021, in the total amount of \$347,797 (exclusive of HST) for information.
Purpose of Report	As per Section 7.2.2 of the Purchasing By-law, a report to Council for information is required when the delegated authority provided in that section is utilized.
Background information	<p>Contract 20-233 was awarded to Rodsan Landscaping & Services Ltd. for 2020 Tree Planting in the total amount of \$221,881 (exclusive of HST) under PDA-006-20. No change orders have been issued, to-date.</p> <p>In 2020, the spring planting program was unable to proceed, due the provincial restriction under the emergency orders. 474 trees were planted during the fall of 2020. However, to achieve the Town's standard for diversity of species, some trees were unable to be planted, in the fall. The Oak trees were the main species not planted last year. The oak trees needed to be reserved in January along with other spring species for the spring planting period, and as such staff made those reservations in order to ensure a 2021 program could occur.</p> <p>The unit prices of the trees for 2021 were held from the 2020 tendered amount. The new contract will be in the total amount of \$569,678 (exclusive of HST).</p> <p>Through report COMS-010-20 the Town applied for additional funding from the Investing in Canada Infrastructure Program to allow for the planting of \$100,000 in extra trees in 2021. If approved and subject to the Town's ability to achieve the program's eligibility criteria, the work will be tendered later this year.</p>

Financial Planning Section: Budget Impact (Note 1)

Account Number(s)	3200/3500 - 0325	C33013420-7720
Account Description	Street Tree Planting	EAB Implementation Strategy
Project Total Budget	N/A	\$260,255
Contract Budget	\$309,088	\$52,580
Actual (Net of HST Rebate)	\$309,088	\$44,830

Variance	\$ 0	\$ 7,750 F
Funding Source	Operating Budget	Project Variance Account

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

Note 2: Request to keep the favourable variance in the EAB capital project. EAB tree assessments will be done in June for treatments and in the event more trees need to be removed than anticipated, the favourable variance will help finance the removals and replacements.

**COUNCIL AUTHORITY FOR CONTRACT AWARDS
SINGLE SOURCE AWARD**

Project Award	Single source award for CIMA+ for Detailed Design & Contract Administration for the 2022 Expanded Asphalt Program.
Recommendation	<p>Staff are recommending the single source award to CIMA+ for the 2022 Expanded Asphalt Detailed Design in the total amount of \$184,990. The estimate for the Contract Administration is in the total amount of \$120,605 (to be revised upon completion of the design portion).</p> <p>The cost for the 2022 Expanded Asphalt Program for both Design and Contract Administration is estimated in the total amount of \$305,595 (exclusive of HST).</p>
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 CIMA+ for 2021 Expanded Asphalt Program (EAP) is in the total amount of \$281,258 (exclusive of HST). This contract was awarded as a result roster process under Request for Proposal No. 18-051. The original award was in the total amount of \$177,563 (exclusive of HST). Change orders to-date are in the total amount of \$103,695 (exclusive of HST) for 2021 Contract Administration. Staff are waiving the roster process in this instance, for the reasons outlined below.</p> <p>The 2022 program includes two phases:</p> <ul style="list-style-type: none"> • Detailed Design • Contract Administration <p>The following road segments are to be included in the 2022 program:</p> <ul style="list-style-type: none"> • Section 1. No 15 Side Rd (Second Line Nassagaweya to Guelph Line) • Section 2. Country Lane (First Line Nassagaweya to North End) • Section 3. Reid Side Road (Twiss Road to Crawford Crescent) <p>In the spring of 2020, a Request for Proposal was issued for the Design and Contract Administration for the 2021 Expanded Asphalt Program through the Town's Civil Engineering Consultant roster with one (1) response received from CIMA+.</p> <p>The recommendation from Infrastructure staff is to directly assign the 2022 EAP Design and Contract Administration to CIMA+, with the intent of maximizing efficiencies between the Town's Infrastructure Project Manager and CIMA+.</p>

The efficiencies realized in the 2021 program were a direct result from CIMA+ having undertaken the 2020 program resulting in direct cost savings to the Town, which will be potentially be reflected in the 2021 program. CIMA's 2020's Contract Administration role allowed field observations on the effectiveness of the contract requirements outlined in the 2020 program design package to be directly incorporated in real time, into the development of the 2021 program design package. The 2021 program special provisions package needed relatively minor modifications to account for changes in the proposed scope of the design that were specific to the roadway corridors included in the 2021 program package, proving that lessons learned are being integrated.

Thurber, the Geotechnical sub-consultant working with CIMA+, was also able to gain a better understanding of the Town's requirements for the investigation and construction support related to the program. CIMA+'s Contract Administration team assigned to the 2020 program construction phase remained consistent throughout the 2021 EAP design phase and are proposed to support the 2021 program construction administration and the 2022 program as well. The support and team work between Town's PM, CIMA+' Design and Construction Administration mitigates the learning curve for both throughout the design package and all the areas of the contract administration, including but not limited to inspection, material testing, public investigation, related reports and also the mandated use of Builterra software.

This single source award is in the total amount of \$305,595 (exclusive of HST) is for Infrastructure Division, specifically design work for the 2022 program. The work includes but is not limited to the following:

Detailed Design:

- Pre-construction survey
- Legal surveys as required
- Review background information available to the Town
- All work and coordination to complete application for any permits from external agencies
- Pavement investigation (geotechnical and visual assessment)
- Utility coordination/circulation to utilities
- Undertake subsurface utility engineering (SUE) B & D assessments
- Preparation of design drawings
- Contract package preparation
- Evaluation of tender submissions

	<p>Staff have satisfied themselves that the terms, conditions and rates submitted are consistent with previous submissions under this contract and further, are consistent with those in the initial request for proposal submission.</p> <p>The new contract will be in the total amount of \$586,853 (exclusive of HST).</p>
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Financial Planning Section: Budget Impact (Note 1)	
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Account Number(s)	C35013321
Account Description	2022 Expanded Asphalt Design
Project Total Budget	\$259,724
Contract Budget	\$204,897
Actual (Net of HST Rebate)	\$188,246
Variance	\$16,651 (F) (Note 2)
Funding Source	Project Variance Account

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

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