



The Corporation of the Town of Milton

Report To: Council

From: Glen Cowan, Chief Financial Officer / Treasurer

Date: February 28, 2022

Report No: CORS-007-22

Subject: Purchasing Various

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

THAT the budget for capital project C33900022 2022 Asphalt Overlay Program - Construction be increased by \$1,210,346 (including non-refundable HST) to be funded from savings in the 2021 Asphalt Overlay Program – Construction project as outlined on Schedule B;

THAT the budget for capital project C45012122 Tandem Axle Trucks be increased by \$720,000 (incl. non-refundable HST) to be funded from the Equipment Replacement Reserve as outlined on Schedule C;

THAT Council provide delegated authority to award the tender of the five (5) Tandem Axle Trucks in the estimated amount of \$1,800,000 (exclusive of HST). Staff will report the results back to Council for Information, as outlined on Schedule C;

THAT Council approve the contract increase to Wood Environment & Infrastructure for consulting and peer review services of the Omagh Tributary Addendum and the Centre Tributary Addendum in the total amount of \$121,178 (exclusive of HST) as outlined on Schedule D;

THAT Council receive for information the contract increase to Pine Valley Corporation for additional construction work for Coxe Boulevard Park Redevelopment in the amount of \$6,894 (exclusive of HST) as outlined of Schedule E;

THAT Council approve the single source award to Dican Inc. for the installation of upgraded automated vehicle location hardware in the total amount of \$93,817 (exclusive of HST) as outlined on Schedule F;



THAT Council approve the single source award to Wood Environment & Infrastructure Solutions for Area Servicing Plan analyses for the MEV in the total amount of \$34,740 (exclusive of HST) as outlined on Schedule G; 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 required paperwork.

EXECUTVE SUMMARY

This report is being submitted to obtain 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.

Financial Impact

Financial impacts are outlined in detail on the attached Schedules A through G. The resulting funding adjustments are presented on Schedule A, and result in a net overall increase in approved capital budgets of \$2,023,243.

Included in the 2021 Year End Capital Report to be presented to Council on April 11, 2022 will be a request to transfer savings of \$1,210,346 in the 2021 Asphalt Overlay Program Construction project to reserve funds to allow for additional roads in the 2022 program and further address the backlog in the Town's road rehabilitation program. Schedules A and B of this report reflect the funding increase of \$1,210,346 in the 2022 program from those same reserve funds, and is being presented in advance of the



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offsetting adjustment to the 2021 project in order to support the timely initiation of work in 2022.

Currently there is a production backlog for tandem axle trucks in Ontario. At this time, anticipated delivery of units ordered in spring 2022, is late 2023 or 2024. Through the 2022 budget, Council approved the supply and delivery of three (3) replacement tandem axle units. Tandem axle trucks are critical for the Town's winter operations. Given the production backlog and to ensure continued levels of service in winter maintenance, staff are recommending that an additional two (2) tandem axle units forecasted for replacement in 2023 be bid along with the 2022 units. This will result in a budget amendment and additional funding request of \$720,000 as outlined on Schedules A and C, representing an acceleration of those units.

Respectfully submitted,

Glen Cowan
Chief Financial Officer/ Treasurer

For questions, please contact: Jennifer Ahern, CPPB 905-878-7252, x2361
For questions, please contact: Deanne Peter, B.Comm., MBA 905-878-7252, x2316

Attachments

Schedule A - Reserve & Reserve Fund Transfers
Schedule B - Budget Amendment - Asphalt Overlay
Schedule C - Budget Amendment - Tandem Axle Trucks
Schedule D - Contract Increase for Omagh Tributary and Centre Tributary
Schedule E - Contract Increase for Coxe Boulevard Park
Schedule F - Single Source for Dican Inc. - AVL Hardware
Schedule G - Single Source for Wood - Area Servicing Plan analyses for the MEV

CAO Approval
Andrew M. Siltala
Chief Administrative Officer

Summary of Changes in Capital Project Budgets and Funding

Schedule	B	C	D	Total Change in Funding Sources Increase / (Decrease)
Project Number	C33900022	C45012122	C90015418	
Project Description	2022 Asphalt Overlay Program (Note 1)	Tandem Axle Trucks	UR SP Ph4 – Secondary Plan	
Total Approved Project Budget	\$ 9,828,147	\$ 1,112,400	\$ 1,388,857	
Project Variance Account			5,755	5,755
Reserves and Reserve Funds:				
Equipment Replacement Reserve		720,000		720,000
Development Charges:				
Roads DC	121,035			121,035
Administration DC			51,792	51,792
External Funding Sources:				
Federal Gas Tax	1,089,311			1,089,311
Total Increase/(Decrease) in Funding	1,210,346	720,000	57,547	\$ 1,987,892
Total Revised Project Budget	\$ 11,038,493	\$ 1,832,400	\$ 1,446,404	

Note 1: Represents the total amount of funding savings from the 2021 Asphalt Overlay project that will be reported through the 2021 Year End Capital Variance Report

COUNCIL AUTHORITY FOR BUDGET AMENDMENT

Project Details	Budget Amendment – Asphalt Overlay Program - Construction
Recommendation	THAT the budget for capital project C33900022 2022 Asphalt Overlay program be increased by \$1,210,346 (incl. non-refundable HST) to be funded from savings in the 2021 Asphalt Overlay program.
Purpose of Report	As per Budget Amendment Policy No. 113 Section 4.7.2 iii Council approval is required.
Background information	<p>The 2018 State of Road Infrastructure report (ENG-018-19) reported that an annual investment requirement of \$21.9 million is required in order to sustain the existing roads assets over the complete lifecycle. As discussed through the 2022 budget, a funding gap exists between the budget and the annual target. Although progress is being made to close the funding gap over the 10 year forecast period, investment in the asphalt overlay program is weighted towards the end of that time period.</p> <p>The 2021 Asphalt Overlay Program – Construction project will have savings of \$1,210,346 (incl. non-refundable HST) as a result of fewer sub drain repairs than anticipated, reduced expenses in crack and sawing repairs, revised quantity requirements, and reduced work to avoid conflicts with the Region’s project on Maple Avenue.</p> <p>Through the 2021 Year End Capital Report, to be presented to Council on April 11, 2022, it will be recommended that these funding savings be returned to reserve where they will be used for the 2022 Asphalt Overlay project in order to allow for additional roads in the 2022 program and further address the backlog in the Town’s road rehabilitation program.</p> <p>In order to facilitate the timely award of the 2022 program, the approval of this transfer is being requested through this report. The reduction in project budget of the 2021 program will be reported through the Year End Capital Variance report.</p>

Financial Planning Section: Budget Impact <small>(includes non-refundable HST)</small>	
Account Number(s)	C33900022
Account Description(s)	2022 Asphalt Overlay Program
Project Total Budget	\$9,828,147
Budget Amendment Requested	\$1,210,346
Funding Source	Federal Gas Tax, Development Charge (Note 1)

Note 1: A budget increase of \$1,210,346 is included for approval in Schedule A, reflecting the savings from the 2021 Asphalt Overlay program that will be returned through the 2021 Year End Capital Variance report.

COUNCIL AUTHORITY FOR BUDGET AMENDMENT	
Project Details	Budget Amendment – Tandem Axle Truck Replacements
Recommendation	<p>THAT the budget for capital project C45012122 Tandem Axle Trucks be increased by \$720,000 (incl. non-refundable HST) to be funded from the Equipment Replacement Reserve.</p> <p>Staff are recommending delegated authority to award the tender for the five (5) tandem axle trucks in the estimated amount of \$1,800,000 (exclusive of HST). Staff will report the results back to Council for information.</p>
Purpose of Report	<p>As per Budget Amendment Policy No. 113 Section 4.7.2 iii Council approval is required.</p> <p>As per Section 10.1 of Purchasing By-law No. 061-2018, for the request for delegation of authority to award the contract.</p>
Background information	<p>Due to supply chain shortages, there is a production line backlog for tandem axle trucks. At this time, anticipated delivery of units ordered in spring 2022 is late 2023 or 2024. Tandem axle trucks are critical for the Town’s winter operations and the Town must book the required units into the production line to ensure continued levels of service in winter maintenance.</p> <p>Through the 2022 budget Council approved the supply and delivery of three (3) replacement tandem axle units. Because of the long lead times, staff is requesting that an additional two (2) tandem axle units forecasted for replacement for 2023, be brought forward, to be bid along with the 2022 units. Snow plows are very complex and operate in the worst conditions. Repairs related to hydraulic pumps and hoses, dump body lift cylinders and steering boxes are typical in later years. As a result, these units have been recommended for replacement in 2023.</p>

CORS-007-22 – Schedule C

	<p>This budget amendment is requesting that funding in the amount of \$720,000 be brought forward from the 2023 forecast to 2022.</p> <p>The budget amount is based on market assessment at the time of budget development. Since then costs have increased. Any variance to the 2022 budget and 2023 forecast amounts will be reported back to Council for information.</p>
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Financial Planning Section: Budget Impact <small>(Note 1)</small>	
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Account Number(s)	C45012122
Account Description(s)	Tandem Axle Trucks
Total Council Approved Budget	\$1,112,400
Budget Amendment Requested	\$720,000 (Note 2)
Funding Source	Equipment Replacement Reserve

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

Note 2: Represents an acceleration of funding that was previously forecasted for 2023 in the 2022 budget process. Through the 2023 budget process the capital forecast will be reduced accordingly.

**COUNCIL AUTHORITY FOR CONTRACT AWARDS
CONTRACT INCREASE**

Project Award	Contract Increase with Wood Environment and Infrastructure for consulting and peer review services of the Omagh Tributary Addendum and Centre Tributary Addendum.
Recommendation	<p>Staff is recommending the contract increase for consulting and peer review services to Wood Environment & Infrastructure in the total amount of \$91,534 (exclusive of HST) for the Omagh Tributary Addendum.</p> <p>Staff is further recommending the contract increase for consulting and peer review services to Wood Environment & Infrastructure in the total amount of \$29,644 (exclusive of HST) for the Centre Tributary Addendum.</p> <p>The total change being recommended for this contract increase is \$121,178 (excluding 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 contract for Peer Review Consulting Services for the Boyne 5A, 5B & 6 SIS was awarded to Wood Environment & Infrastructure through in the amount of \$101,251 (exclusive of HST). Additional change orders in the amount of \$117,960 (exclusive of HST) have been issued to-date through PDA-069-18 and CORS-015-20. The current contract total is \$219,211 (exclusive of HST).</p> <p>This contract increase of \$91,534 (exclusive of HST) is for the peer review services for the Omagh Tributary Addendum in Area 5B.</p> <p>This contract increase of \$29,644 (exclusive of HST) is due to additional effort associated with the feature based water balance, associated technical review as well as out of scope meetings for the Centre Tributary Addendum.</p> <p>The new contract total will be \$340,389 (exclusive of HST), including this change order request of \$121,178 (exclusive of HST). The hourly rates and the hours identified and the staffing proposed have been reviewed and validated by Development Services – Development staff.</p>

Financial Planning Section: Budget Impact (Note 1)	
Account Number(s)	6350-3736
Account Description	Consultants – Recoverable
Contract Budget	\$203,520
Actual (Net of HST Rebate)	\$123,311
Variance (Note 2)	\$80,209 (F)
Funding Source	Developer Recovery (Note 3)

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

Note 2: The contract budget represents the total budget remaining for all peer review consulting services for the Boyne 5A, 5B & 6 SIS. The remaining variance will continue to be used for other required peer reviews in 2022.

Note 3: Consultant expenses are fully recoverable from developers.

**COUNCIL AUTHORITY FOR CONTRACT AWARDS
CONTRACT INCREASE**

Project Award	Contract Increase for Coxe Boulevard Park Redevelopment
Recommendation	Staff proceeded with a contract increase for additional construction work to Pine Valley Corporation in the amount of \$6,894 (exclusive of HST).
Purpose of Report	As per Section 10.1 of Purchasing By-law No. 061-2018, this increase is provided for information.
Background information	<p>The original contract was awarded to Pine Valley Corporation for Coxe Boulevard Park Redevelopment in the total amount of \$348,998 (exclusive of HST). Change orders to-date have been issued in the total amount of \$37,685, including this request, (exclusive of HST).</p> <p>Two areas of existing trail within Coxe Boulevard Park required additional work to remediate including: excavation and removal off site of unsuitable fill, supply and installation of geo-web fabric and tile drains and subsequent compaction re-testing of sub-base. Due to timing, Staff proceeding with this requirement to not incur additional costs due to remobilization.</p> <p>The new contract total will be in the total amount of \$386,683 (exclusive of HST).</p>

Financial Planning Section: Budget Impact (Note 1)

Account Number(s)	C51014921-A1610-7710
Account Description	Coxe Park Redevelopment
Project Total Budget	\$466,330
Contract Budget (excl. HST)	\$0
Actual (Net of HST Rebate)	\$7,015
Variance	\$7,015 (U)
Funding Source	Variance within the Project (Note 2)

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

Note 2: The unfavourable variance will be managed through the reallocation of other expenditure lines within the project.

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

Project Award	Single Source award to Dican Inc for the installation of upgraded automated vehicle location hardware
Recommendation	Staff is recommending the single source award to Dican Inc for the installation of upgraded automated vehicle location hardware in the total amount of \$93,817 (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 Town acquired an automated vehicle location (AVL) system from BSM Technologies (through Dican Inc.) for its Operations Division, Bylaw and Fire Department vehicle fleet in 2012 under RFP 12-262. This system allows for real-time location tracking of vehicles involved in road and fire response operations as well as collection of additional telemetry data as needed for internal reporting, reducing the Town's risk exposure for road-related claims and enhancing overall service to the community. Presently, 189 vehicles are tracked within this system (both Town and contractor-owned). Dican Inc, a BSM Technologies distributor and authorized reseller, has been supporting, maintaining and upgrading the hardware and software associated with the Town's AVL system since 2012. In 2019, Geotab Inc, an Oakville-based vehicle telematics company, acquired BSM Technologies and begun a transition period to migrate customers over to the new Geotab AVL hardware/software solution once the BSM technology had been fully integrated into their platform. As of June 30 2022, Geotab will be decommissioning their legacy BSM AVL system and all customers must ensure they install upgraded AVL hardware within their fleet and migrate over to the new platform prior to this posted end of life date in order to prevent a lapse in the collection of AVL and telematics data.</p> <p>Dican Inc has been the Town's designated BSM/Geotab authorized reseller, integrator and primary point of contact for AVL support since the solution's implementation in 2012. Dican has significant knowledge of the Town's internal operations and current AVL vehicle fleet including a documented history of all Town and contractor-owned vehicles, complete with wiring diagrams along with pictures of the equipment install locations within the dashboards and cabs of the vehicles. Dican employs a full time highly trained and educated team of in-house installers and technicians, with a fleet of service vehicles that will allow them to complete the necessary installations and Geotab system migration in advance of the June deadline.</p>

CORS-007-22 - Schedule F

	Staff have reviewed Dican’s workplan, associated hardware/installation costs and rates, and are requesting Council approval to proceed with award of the AVL hardware upgrade and migration to Geotab platform to Dican Inc. Following completion of this upgrade and migration, staff intend to pursue a competitive request for proposal process to enhance the technology capabilities within the Operations and Risk Services divisions through additional software solutions that will be fully compatible with the upgraded AVL system.
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Financial Planning Section: Budget Impact (Note 1)	
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Account Number(s)	C24001122-A0260-7140
Account Description	GIS Service Delivery
Project Total Budget	\$ 216,733
Contract Budget	\$ 76,153
Actual (Net of HST Rebate)	\$ 95,468
Variance	\$ 19,315 (U)
Funding Source	Note 2

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

Note 2: Variance will be managed through a reallocation of spending within the project.

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

Project Award	Single Source award to Wood Environment & Infrastructure Solutions for additional analysis required to address the interim sanitary servicing strategy for the MEV lands.
Recommendation	Staff is recommending the single source award to Wood Environment & Infrastructure Solutions for Area Servicing Plan analyses for the MEV in the total amount of \$34,740 (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>In June, 2021, the Province issued a Municipal Zoning Order (MZO) to expedite the first phase of development at the Milton Education Village (MEV). The first phase will include post-secondary education, long-term care, supporting commercial and residential uses.</p> <p>The Wood team was retained, as a sub-consultant, through PO-120017 to undertake the overall Area Servicing Plan (water/sewer) for the MEV Secondary Plan. To support the first phase of development, Halton Region has requested additional analyses and details be completed as part of the Area Servicing Plan process to address the interim sanitary servicing strategy for the MEV lands and specifically to establish an overall sanitary servicing concept which would integrate the interim strategy to the ultimate sanitary servicing plan for the MEV. This is a time sensitive matter to support the proposed development timing at the MEV.</p> <p>Wood has submitted a work plan in relation to the required scope of work, which has been validated by Town staff.</p>
Financial Planning Section: Budget Impact (Note 1)	
Account Number(s)	C90017012-N1810-7290
Account Description	MEV Secondary Planning/Site Specific Zoning
Project Total Budget	\$1,371,446
Contract Budget	\$0
Actual (Net of HST Rebate)	\$35,351
Variance	\$35,351 (U)
Funding Source	Development Charges, Project Variance Account

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