



# The Corporation of the Town of Milton

Report To: Council

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From: Glen Cowan, Chief Financial Officer / Treasurer

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Date: April 11, 2022

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Report No: CORS-026-22

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Subject: Purchasing Various

**Recommendation:** **THAT Council approve a contract increase and extension to Sunshine Building Maintenance Inc., for additional Facility Cleaning Services in the estimate amount of \$74,165 (exclusive of taxes), as outlined in Schedule A.**

**THAT Council approve the award of Tender No. 22-01-00097 for the 2022 Asphalt Overlay Program to Gazzola Paving Limited, in the total amount of \$7,416,964 for the base bid and also approve \$573,726 for provisional roads, for a total of \$7,990,690 (exclusive of taxes), as outlined in Schedule B.**

**THAT Council receive for information, the contract increase to Gibraltar Solutions for the Enterprise Backup Solutions Services, in the total about of \$110,896 (exclusive of taxes), as outlined in Schedule C.**

**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.



# The Corporation of the Town of Milton

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## Discussion

Information pertaining to the recommended purchasing awards is included on the corresponding Schedules (A-C) attached.

## Financial Impact

Financial impacts are outlined in detail on the attached Schedules A to C and result in no net change to approved capital budgets.

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 – Contract Increase and Extension for Cleaning Services  
Schedule B – Tender Award for the 2022 Asphalt Overlay Program  
Schedule C – Information Report for the Contract Increase of Enterprise Backup  
Solution Services

CAO Approval  
Andrew M. Siltala  
Chief Administrative Officer

**COUNCIL AUTHORITY FOR CONTRACT AWARDS  
CONTRACT EXTENSION**

<b>Project Award</b>	Contract Increase and extension for additional cleaning services
<b>Recommendation</b>	<b>Staff is recommending a contract extension and contract increase for additional facility cleaning services to Sunshine Building Maintenance Inc., in the estimated amount of \$74,165 (exclusive of HST).</b>
<b>Purpose of Report</b>	As per Section 10.1 of Purchasing By-law No. 061-2018, Council approval is required.
<b>Background information</b>	<p>The current service contract for cleaning services for the facilities was awarded to Sunshine Building Maintenance Inc., for \$23,000 (exclusive of HST). A formal bid process was not required as the annual value was under \$25,000.</p> <p>This contract extension and increase is for a period of seven (7) months, in the estimated amount of \$74,165 (exclusive of HST) is for the work related to the return of all staff to the office starting in April. Facilities staff will be monitoring the contract expectations and related cleaning protocols over this seven (7) month extension period.</p> <p>The new contract total will be in the estimated amount of \$97,165 (exclusive of HST). A bid will be issued to the market in the fall, once the new protocols are finalized.</p>

**Financial Planning Section: Budget Impact** (Note 1)

<b>Account Number(s)</b>	Various
<b>Account Description</b>	Contracts – Cleaning Services
<b>Project Total Budget</b>	NA
<b>Contract Budget</b>	\$50,549
<b>Actual</b> (Net of HST Rebate)	\$75,470
<b>Variance</b> (Note 2)	\$24,922 (U)
<b>Funding Source</b>	Operating Budget

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

Note 2: The unfavourable variance presented represents the April – October contract variance. The annual unfavourable variance estimated for this contracted service is projected to be \$21,085. This amount is expected to be managed through the offsetting adjustments in staffing and will be monitored and reported through the operating variance process.

**COUNCIL AUTHORITY FOR CONTRACT AWARDS  
TENDER AWARD**

<b>Project Award</b>	Tender Award No. 22-01-00097 for the 2022 Asphalt Overlay Program																		
<b>Recommendation</b>	<p>Staff are recommending the award of the tender for the 2022 Asphalt Overlay Program to Gazzola Paving Limited in the amount \$7,416,964, for the base bid and also approve \$573,726 in provisional items, for a total award of \$7,990,690, being the lowest compliant bid;</p> <p><b><u>Total amount - Breakdown:</u></b></p> <table border="0" style="width: 100%;"> <tr> <td><b>Base Bid</b></td> <td style="text-align: right;"><b>\$ 7,416,964</b></td> </tr> <tr> <td colspan="2"><b>Provisional Roads-Provisional Items</b></td> </tr> <tr> <td>Part 6 Casarin Crescent</td> <td style="text-align: right;">\$ 68,918</td> </tr> <tr> <td>Part 17 Hume Way</td> <td style="text-align: right;">\$ 88,429</td> </tr> <tr> <td>Part 23 Manley Lane</td> <td style="text-align: right;">\$ 64,808</td> </tr> <tr> <td>Part 40 In-Depth Preservative Sealing-Retreats</td> <td style="text-align: right;">\$176,569</td> </tr> <tr> <td>Part 41 James Snow Pkwy MUP</td> <td style="text-align: right;">\$175,000</td> </tr> <tr> <td><b>Total Provisional</b></td> <td style="text-align: right;"><b>\$573,726</b></td> </tr> <tr> <td><b>Total Award Amount</b></td> <td style="text-align: right;"><b>\$7,990,690</b></td> </tr> </table>	<b>Base Bid</b>	<b>\$ 7,416,964</b>	<b>Provisional Roads-Provisional Items</b>		Part 6 Casarin Crescent	\$ 68,918	Part 17 Hume Way	\$ 88,429	Part 23 Manley Lane	\$ 64,808	Part 40 In-Depth Preservative Sealing-Retreats	\$176,569	Part 41 James Snow Pkwy MUP	\$175,000	<b>Total Provisional</b>	<b>\$573,726</b>	<b>Total Award Amount</b>	<b>\$7,990,690</b>
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<b>Total Award Amount</b>	<b>\$7,990,690</b>																		
<b>Purpose of Report</b>	As per Section 10.1 of Purchasing By-law No. 061-2018, Council approval is required for tender awards over \$1,000,000.																		
<b>Background information</b>	<p>This annual program is required to rehabilitate the asphalt surface on roads before they deteriorate to the point where major road rehabilitation or reconstruction is required. This program is an important component in maintaining the Town of Milton Road Network. The identification of the roads is dictated by the 2018 State of Infrastructure – Roads Study, Engineer roads assessments, the results of the geotechnical investigation, the CCTV inspection report, coordination with utilities agencies and the Region.</p> <p>While the current budget would accommodate awarding the entirety of the provisional items at this time, due to the overall size of the contract, staff are recommending award of the provisional items noted above only at this time. If, as the contract progresses, it is evident that it is feasible to complete all of the provisional roads, then these items and/or roads will be added to the contract via change order. Therefore, and due to the size of the contract, staff are requesting that the favourable variance remain in the project budget.</p>																		

<b>Purchasing Section: Bid Award Information</b>									
<b>Date bid issued</b>	March 4, 2022								
<b>Advertisements</b>	Town of Milton website								
<b>Closing Date</b>	March 25, 2022								
<b># of Plan takers</b>	Five (5) Prequalified Contractors from RFPQ 22-01-00097A								
<b>List of bid submissions inclusive of HST</b>	<table> <tr> <td>Gazzola Paving</td> <td>\$ 8,360,907.68</td> </tr> <tr> <td>Associated Paving &amp; Materials Ltd</td> <td>\$ 9,162,900.11</td> </tr> <tr> <td>D. Crupi &amp; Sons Limited</td> <td>\$ 9,643,269.65</td> </tr> <tr> <td>Pave - Al Ltd</td> <td>\$ 10,447,391.72</td> </tr> </table>	Gazzola Paving	\$ 8,360,907.68	Associated Paving & Materials Ltd	\$ 9,162,900.11	D. Crupi & Sons Limited	\$ 9,643,269.65	Pave - Al Ltd	\$ 10,447,391.72
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D. Crupi & Sons Limited	\$ 9,643,269.65								
Pave - Al Ltd	\$ 10,447,391.72								
<b>Median bid value</b>	<b>The average bid received was \$ 9,403,617.29. The bid submitted by Gazzola Paving Limited is approximately 11% less than the average bid.</b>								
<b>COR™ Requirement</b>	<p>On Council Report CORS-013-18, the Town adopted the Certificate of Recognition (COR™) program as a requirement for projects valued over \$500,000. As such, only Bid submissions from Bidders that were COR™ Certified were accepted for this Tender request.</p> <p><b>All four (4) bid submissions received were from COR™ Certified Contractors.</b></p>								
<b>Financial Planning Section: Budget Impact</b> (Note 1)									
<b>Base Bid Award:</b>									
<b>Account Number(s)</b>	C33900022								
<b>Account Description</b>	2022 Asphalt Overlay Program - Construction								
<b>Project Total Budget</b>	\$ 11,038,493								
<b>Contract Budget</b>	\$ 9,330,946								
<b>Actual</b> (Net of HST Rebate)	\$ 7,547,503								
<b>Variance</b>	\$1,783,443 (F)								
<b>Funding Source</b>	Federal Gas Tax/Tax Supported Debt/ Development Charges/ Project Variance Account/								
<b>Provisional Items Award:</b>									
<b>Account Number(s)</b>	C33900022								
<b>Account Description</b>	2022 Asphalt Overlay Program - Construction								
<b>Project Total Budget</b>	\$11,038,493								
<b>Contract Budget</b>	\$1,783,443								
<b>Actual</b> (Net of HST Rebate)	\$ 583,824								
<b>Variance</b>	\$ 1,199,619 (F) (Note 2)								
<b>Funding Source</b>	Federal Gas Tax/Tax Supported Debt/ Development Charges/ 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 to accommodate further provisional sections subject to the project's overall progress.

## COUNCIL AUTHORITY FOR CONTRACT AWARDS

<b>Project Award</b>	Contract Increase for Enterprise Backup Solution Services – C-22-09
<b>Recommendation</b>	<b>The contract increase to Gibraltar Solutions for Enterprise Backup Solution Services in the total amount of \$110,896 (exclusive of HST) be received for information.</b>
<b>Purpose of Report</b>	As per section 7.2.2 of By-law 61-2018, reporting for information to Council is required.
<b>Background information</b>	<p>The Town of Milton utilizes an enterprise software solution to back up and restore critical information and data within the organization. Due to rapid growth in digital technologies and data creation within the organization, the Town's overall data footprint and backup requirements continues to rise. This has resulted in year-over-year increases to the annual licensing and maintenance costs related to this system. In an effort to reduce operating expenditures within the Town and ensure continuous backup needs are addressed within the organization, the Town has opted to migrate to an improved licensing model with the backup system that will immediately lower the overall annual cost of backup licensing and slow the year-over-year increases of subsequent backup growth.</p> <p>The current contract for enterprise software solution services was awarded to Gibraltar Solutions through the Town's annual single source list on CORS-063-21 in the amount of \$68,504 (exclusive of HST) for this software solution.</p> <p>The Town is looking to move from a perpetual annual backup licensing model to a prepaid five (5) year subscription licensing model that will allow the organization to lock in existing rates for the next five (5) years as well as an option to renew for another five (5) years following completion of the initial term. Presently, the Town is expected to pay a capital expenditure of \$26,255 (exclusive of HST) for additional backup capacity in 2022 along with the existing annual licensing cost of \$42,249 (exclusive of HST). The improved licensing model will migrate the Town to a cost of \$35,880 (exclusive of HST) annually for the next five (5) years. The immediate net result of this will be a savings of approximately \$33,000 (exclusive of HST) in 2022 and further savings in 2023 and onwards.</p> <p>The new contract total will be \$179,400 (exclusive of HST).</p> <p>This award proceeded under the CAO delegated authority provided through Section 7.2.2 of the purchasing by-law. This additional need was not anticipated at the time of initial award and was required to prevent any interruption in service delivery. Authority Report: PDA-012-22.</p>

<b>Financial Planning Section: Budget Impact</b> (Note 1)			
<b>Account Number(s)</b> <b>Account Description</b>	C24200322 Enterprise Licensing and Compliance	2216-3945 Service Agreements	0140-1430 Prepaid Expenditures
<b>Contract Budget</b>	\$25,440	\$45,000	N/A
<b>Actual</b> (Net of HST Rebate)	\$0	\$36,512	\$146,046
<b>Variance</b>	\$25,440 (F)	\$8,488 (F)	N/A
<b>Funding Source</b>	Project Variance Account/ Reserves, Reserve Funds	Operating Budget	Note 2

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

Note 2: Four years of annual subscription being allocated to Prepaid Expenditures (0140-1430) will be expensed to Technology Services Programs Services Agreements (2216-3945).

Note 3: Authorization from section 7.2.2 of By-law #61-2018:

7.2.2 Despite any requirements of this By-law, the CAO may authorize the purchase of additional Goods or Services provided that they could not reasonably have been anticipated at the time of the Award of the original Contract or the purchase of additional Goods or Services are required to prevent interruption in service delivery or to avoid incurring extra costs. An informational report shall be submitted to Council by the Manager, Purchasing and Risk Management.