

**COUNCIL AUTHORITY FOR CONTRACT AWARDS  
PROPOSAL AWARD**

<b>Project Award</b>	Proposal Award No. 23-294 - Underground Infrastructure Locating Services
<b>Recommendation</b>	<b>Staff are recommending the award of the proposal for Locating Services for Town Owned Underground Infrastructure to PVS Contractors Inc., in the total amount of \$331,883 (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 for proposal awards over \$100,000.
<b>Background information</b>	<p>The Town, as a municipality with underground infrastructure located within our right of ways, is legislatively required, through Ontario's Underground Infrastructure Notification System Act, 2012, to register as a member with Ontario One Call and provide field locates for our infrastructure (traffic signals, street lights, and storm sewers).</p> <p>Since 2016, the Town has engaged with a Locate Service Provider contractor in order to complete the locate requests issued to the Town through Ontario One Call. Locate requests are driven by the market, and can be requested by private property owners, excavators, designers, utilities, municipalities, etc. Essentially, any entity that is preparing to dig in Ontario and meets specific criteria must submit a locate request to Ontario One Call.</p> <p>In 2022, staff identified the need to go back out to the market with an RFP to secure a contract with a locate service provider. An RFP was issued to the market in January of 2023, and closed on January 26, 2023. Upon close of the RFP, it was identified that the unit rates and total value were significantly higher than what had been anticipated in the budget for 2023. At that point, in order to allow for time to determine the best next steps, a contract extension to our existing Locate Service Provider was awarded, to April 25, 2023, via PDA 019-23.</p> <p>Since the RFP close, staff have consulted with the other local municipalities in Halton, as well as other municipalities in southern Ontario regarding the significant cost increase and service delivery. It was determined this is not a situation that is unique to Milton, and the increase in market unit rates is being experienced more broadly. It is believed this increase is due to a number of factors, including labour negotiations resulting in increased hourly rates for unionized locators, as well as the introduction of an amendment to the Underground Infrastructure System Notification Act, 2012 (Bill 93), which allows Ontario One Call to issue penalties if locates are not completed within the legislated timeline.</p> <p>In order to mitigate the ongoing financial pressure related to this increase in cost, staff are reviewing the following opportunities:</p>

- Recovering from the development community, through an update to the Town’s user fee by-law, the cost of locates incurred for those requests that come in for unassumed subdivisions;
- Extending the validity period of the Town’s locates to 120 days from 60 days (thereby minimizing the potential need for “re-locates”, as contractors must have valid locates on hand at all time if excavating);
- Exploring the requirement for a “dedicated locator” for large utility projects (which would result in the utilities being responsible for all locate costs related to that particular project). Given existing agreements in place with some utilities, this will need to be further explored to determine ultimate feasibility.

Staff will also ensure that the locate cost is appropriately applied to either the operating or capital budget based on the nature and location of the request, in order to ensure that the proper funding source is applied.

The award to PVS Contractors Inc. is for a period of one (1) year, with the option to renew the contract for three (3) additional 1 year periods.

It should be noted that the volumes included in the RFP are estimates only, and the actual volume of locate requests is market driven. Ultimately, the total value of work performed in 2023 is to be determined, and will be reported back to Council as part of the year-end financial reporting process.

An evaluation team of three staff from the Infrastructure Division evaluated the submitted proposals against the established criteria and two proponents were invited to an interview. The proposal submission from PVS Contractors Inc. was the highest ranking proposal.

**Purchasing Section: Bid Award Information**

<b>Date bid issued</b>	January 4, 2023
<b>Advertisements</b>	Town of Milton website
<b>Closing Date</b>	January 26, 2023
<b># of Plan takers</b>	Three (3)
<b>Proposal Submissions received</b>	Proposals were received from the following companies: <ul style="list-style-type: none"> <li>• 1000170795 Ontario Inc.</li> <li>• multiVIEW Locates Inc.</li> <li>• PVS Contractors Inc.</li> </ul>

<b>Evaluation Criteria</b>	The proposals were evaluated based on the following criteria: <ul style="list-style-type: none"> <li>• Description of the LSP, Team and Structure</li> <li>• LSP Experience and References</li> <li>• Methods, Work Program, Tasks, and Deliverables</li> <li>• Proposal Costs</li> </ul>
----------------------------	---

<b>Financial Planning Section: Budget Impact</b> (Note 1)	
---	--

<b>Account Number(s)</b>	3020-3740
<b>Account Description</b>	Infrastructure Management – Contracts
<b>Contract Budget</b>	\$ 60,000
<b>Actual</b> (Net of HST Rebate)	\$ 337,724
<b>Variance</b> (Note 2)	\$ 277,724 (U)
<b>Funding Source</b>	Operating Budget

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

Note 2: Contract actuals are based on estimated volumes for 2023, however, may differ based on volume of activity. The variance to budget will be monitored throughout the year and reported back to Council through the operating variance review processes. As noted in the background section above, staff are reviewing opportunities to mitigate the financial impact to the operating budget.