

813COUNCIL AUTHORITY FOR CONTRACT AWARDS CONTRACT RENEWALS AND EXTENSIONS

Project Award	Contract Renewals and Contract Extensions for the 2023/2024 Winter Control Program – Equipment and Operator												
Recommendation	<p>Staff are recommending the award of the contract renewals for winter control services for a combination of various contracts for years two to five for the 2023/2024 winter season, in the estimated total amount of \$1,667,075 (excluding tax) as noted below:</p> <table border="1"> <tr> <td>Associated Paving</td><td>\$31,700</td></tr> <tr> <td>Blue Chip Building Restoration Ltd.</td><td>\$1,281,775</td></tr> <tr> <td>Duff Contracting</td><td>\$83,000</td></tr> <tr> <td>Jones Ag Services Limited</td><td>\$270,600</td></tr> </table> <p>Staff are recommending the award of various contract extensions to existing contracts for winter control services for the 2023/2024 winter season, in the estimated total amount of \$468,900 (excluding tax) as noted below:</p> <table border="1"> <tr> <td>Blue Chip Building Restoration Ltd.</td><td>\$423,800</td></tr> <tr> <td>Jones Ag Services Limited</td><td>\$45,100</td></tr> </table>	Associated Paving	\$31,700	Blue Chip Building Restoration Ltd.	\$1,281,775	Duff Contracting	\$83,000	Jones Ag Services Limited	\$270,600	Blue Chip Building Restoration Ltd.	\$423,800	Jones Ag Services Limited	\$45,100
Associated Paving	\$31,700												
Blue Chip Building Restoration Ltd.	\$1,281,775												
Duff Contracting	\$83,000												
Jones Ag Services Limited	\$270,600												
Blue Chip Building Restoration Ltd.	\$423,800												
Jones Ag Services Limited	\$45,100												
Purpose of Report	As per Section 10.1 of Purchasing By-law No. 061-2018, Council approval is required.												
Background information	<p>The Town of Milton requires contracted equipment and operators to provide winter maintenance on both Town and Regional roads (as part of the Regional Maintenance Agreement). These contracts supplement the services provided by Town staff.</p> <p><u>Contract Renewals</u></p> <p>The Town has issued winter control tenders on an annual basis for a portion of the requirements, for a potential contract term of up to five years. This has ensured that the Town will potentially have a 20% turnover in contractors, ensuring that services can be delivered effectively and efficiently. This renewal encompasses thirty-three (33) units of various types of equipment including Tandems, Single Axles, Loaders, Graders and Tractors.</p> <p>These contracts include a MTO fuel index calculation, which are reconciled monthly. The index is used by the Province and many municipalities to manage fluctuating fuel costs through the term of the contract. This ensures that the contractors don't carry the risk of higher fuel costs and the Town benefits by not having to pay</p>												

higher rates to cover the risk.

The estimated cost of the contract renewals includes a combination of the standby rate and hourly call out rates. The MTO fuel index changes have not been included in the estimates.

The total estimated contract renewal amount for all thirty-three (33) units is \$1,667,075 for the 2023/2024 winter season. The total overall cost increase for the contract renewals is 0.44%. The contract renewal amount is an estimate, the cost to be incurred will be based on the actual call out hours required during the contract term.

Contract Extensions

There are nine (9) units of various types of equipment including Tandems, Single Axles and Graders, where the contracts have reached the end of the five year term. Staff are recommending the extension of existing contracts for a one-year period for the 2023/2024 winter season.

Staff will be reviewing the winter control contracts to update requirements for the scope of work, conduct benchmarking and consolidate requirements for tender in 2024.

The total estimated contract extension amount for nine (9) units is \$468,900 for the 2023/2024 winter season. The total overall cost increase for the contract extensions is 14.9%. The increase aligns the hourly rates more closely with more recent tender results and is a reflection of the higher operating costs that are currently being incurred. The contract extension amount is an estimate, the cost to be incurred will be based on the actual call out hours required during the contract term.

Total Overall Cost

The total estimated cost of the contract renewals and contracts extensions for all forty-two (42) units is \$2,135,975 (exclusive of HST) for the 2023/2024 winter season. This represents a total overall estimated price increase of 3.3% over the previous winter season.

Financial Planning Section: Budget Impact (Note 1)

Account Number(s)	0600-0605-3740	0600-0665-3740	0900-0605-3740	0900-0665-3740
Account Description	Winter Control	Winter Control Standby	Regional Roads	Regional Roads Standby
Contract Budget	\$916,924	\$387,217	\$611,282	\$258,145
Actual (Net of HST Rebate) (Note 2)	\$916,924	\$387,217	\$611,282	\$258,145

CORS-045-23 – Schedule B

Variance Funding Source	\$0 Operating Budget	\$0 Operating Budget	\$0 Regional Recovery (Note 3)	\$0 Regional Recovery (Note 3)
------------------------------------	----------------------------	----------------------------	---	---

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

Note 2: Contract costs will vary with utilization and will be monitored by program area staff. Any variances will be reported through the variance process.

Note 3: The cost of contracts for Regional Roads will be recovered from the Region of Halton including cost plus for Winter Control.