

REPORT TO COUNCIL FOR INFORMATION - CONTRACT INCREASE

Project Award	Reporting back to Council on the Delegated Authority to award the contract increase to Associated Paving & Materials Ltd. for the 2023-2024 Winter Control Program – Equipment and Operator – Tender No. 22-063A
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>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>The Town has issued winter control tenders for various types of equipment including Tandems, Single Axles, Loaders, Graders and Tractors. The cost of the contract includes a combination of standby rates and hourly call out rates. The cost to be incurred is based on the actual call out hours required during the contract term. These contracts also include a MTO fuel index calculation, which is reconciled monthly. The index is used by the Province and many municipalities to manage fluctuating fuel costs through the term of the contract.</p> <p>On CORS-045-23, Council approval was received for contract renewals and contract extensions for the 2023/2024 winter control program. Contract renewals were approved for Associated Paving & Materials Ltd., Blue Chip Building Restoration Ltd., Duff Contracting and Jones Ag Services Limited. Contract extensions were approved for Blue Chip Building Restoration Ltd. and Jones Ag Services Limited.</p> <p>Subsequent to the approval of CORS-045-23, the Town was notified by Jones Ag Services Limited that they were terminating their contract to provide winter control services in accordance with the terms and conditions of the contract. The contract was for six units with equipment and operators, with a possible extension for one additional unit.</p> <p>Due to timing, the Town approached Contractors currently providing winter control services to the Town to determine availability to provide additional equipment and operators for the upcoming 2023/2024 season. Associated Paving & Materials Ltd. had two units available, with equipment and operators, to provide winter control services for the 2023/2024 season. Associated Paving & Materials Ltd. agreed to hold their current rate. The Contractors did not have any further equipment available to the Town.</p>

Schedule I

	<p>Based on discussion with program staff and a review of the equipment utilization rates, the program area feels that there is sufficient capacity to manage the upcoming winter season. The amount of equipment requirements will be reviewed prior to the next tender expected to be issued in 2024.</p> <p>Staff processed PDA-095-23 utilizing Section 7.2.2 of the Purchasing By-law to award the contract increase to Associated Paving & Materials Ltd. in the estimated total amount of \$80,000 (exclusive of HST).</p>
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Financial Planning Section: Budget Impact (includes non-refundable HST)

Account Number(s)	0600/0900-0605/0665-3740
Account Description	Winter Maintenance -Town and Regional Roads
Project Total Budget	N/A
Contract Budget	\$315,256
Actual <small>(Net of HST)</small>	\$81,408
Variance <small>(Note 2)</small>	\$239,848 (F)
Funding Source	Operating Budget/Regional Recoveries

Note 1: Financial impact includes any non-refundable portion of HST.
 Note 2: Represents estimated impact over the 2023/24 season. Savings to budget are anticipated due to the above noted reduction of 5 units. However, contract costs will vary depending on weather conditions and will be monitored by program area staff, with any variances reported through the variance review processes.