

**COUNCIL AUTHORITY FOR CONTRACT AWARDS
DELEGATED AUTHORITY**

Project Award	Delegated Authority – Tender Award No. 24-063 for Equipment and Operators for Road Snow Removal for the Town's Winter Control Program
Recommendation	<p>Staff are recommending the delegated authority to award Tender No. 24-063 for Equipment and Operators for Road Snow Removal for the Town's Winter Control Program for a five (5) year term in the total estimated annual amount of \$1,100,000.00 (exclusive of HST). Staff will report the results back to Council for information.</p> <p>The total amount for the five-year contract is estimated to be \$5,700,000.00 (exclusive of HST), including annual CPI price adjustments as noted below.</p> <p>Staff are also requesting the delegated authority to award the optional renewal term through an internal staff award report, allowing the Town to renew the contract for one additional five (5) year period.</p>
Purpose of Report	As per Section 10.1 of Purchasing By-law No. 061-2018, Council approval is required for tender awards over \$1,000,000.
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 issued Tender No. 24-063 for Equipment and Operators for Road Snow Removal for the Town's Winter Control Program. The Tender is anticipated to close on July 16, 2024.</p> <p>The Tender is for a total of twenty-one (21) units of equipment consisting of tandem axle combination units, single axle combination units, loaders/tractors and graders. The contract may be awarded to multiple Contractors in order to achieve the total number of units required.</p> <p>The term of the contract will be for a five (5) year period, commencing upon award to April 30, 2029. The contract includes an optional renewal term, allowing the Town to renew the contract for one additional five (5) year period.</p> <p>The contract includes a combination of a standby rate and hourly call out rate for each equipment type. Hourly rates will be held firm for the first year of the contract, and the Town will adjust the Hourly Rate annually for years two (2) to five (5) of the contract</p>

Schedule D

	<p>term in accordance with the annual rate of change in the Consumer Price Index (CPI).</p> <p>The contract also includes 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 volatility in fuel costs and the Town therefore benefits by not having to pay higher rates to cover the risk.</p> <p>The total estimated contract amount for all twenty-one (21) units of equipment is \$1,100,000 (exclusive of tax) for the 2024/2025 winter season. The cost to be incurred will be based on the actual call out hours required during the contract term. Potential future MTO fuel index changes have not been included in the estimate.</p> <p>The total estimated contract amount for the five year term is \$5,700,000, including an estimated CPI adjustment per year.</p> <p>In order to prepare for the upcoming winter season, it is recommended to award the tender as soon as possible following the tender closing date.</p>
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Financial Planning Section: Budget Impact (Note 1)

Account Number(s)	0690-0690-3740	0969-0690-3740
Account Description	Winter Control	Region Winter Control
Contract Budget (Note 2)	\$203,976	\$135,984
Estimated Actual (Note 2)	\$201,412	\$134,274
Variance (Note 3)	\$2,564 (F)	\$1,710 (F)
Funding Source	Operating Budget	Regional Recovery (Note 4)

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

Note 2: Contract budget and estimated actual reflect the estimated amount for the remaining winter months for fiscal 2024. Costs associated with fiscal 2025 will be considered in the development of the 2025 budget.

Note 3: Contract actuals are an estimate only. Actual contract variance will be reported back after award.

Note 4: Winter maintenance costs for Regional Roads are recovered from the Region of Halton.