

Section I – Items for Board of Directors Action

TO: Chair and Members of the Board of Directors
Friday, March 24, 2023 Meeting

FROM: Anil Wijesooriya, Director, Restoration and Infrastructure

RE: **VENDORS OF RECORD ARRANGEMENT FOR SUPPLY AND DELIVERY OF EROSION AND SEDIMENT CONTROL MATERIALS – CONTRACT EXTENSION**
Contract No. 10035552

KEY ISSUE

Extension of Contract No. 10035552 for Vendor of Record (VOR) arrangement for supply and delivery of various erosion and sediment control materials from May 6, 2023 to May 6, 2025.

RECOMMENDATION:

WHEREAS Toronto and Region Conservation Authority (TRCA) is engaged in a variety of programs/projects requiring various erosion and sediment control materials;

WHEREAS TRCA solicited proposals through a publicly advertised process and awarded Contract No. 10035552 to Devron Sales Ltd., Erosion Solutions Ltd., Layfield Canada Ltd., Nilex Inc., Organic Express Inc., and Terrafix Geosynthetics Inc. at Board of Directors Meeting through RES.#A57/21;

WHEREAS Layfield Canada Ltd. and Nilex Inc. did not enter an agreement with TRCA at the unit rates provided in their Proposals at the time of awarding the contract;

AND WHEREAS staff are satisfied with the goods and services provided to date under the current contract;

THEREFORE THE EXECUTIVE COMMITTEE RECOMMENDS THAT TRCA staff be directed to exercise their contractual right to extend the VOR arrangement with Devron Sales Ltd., Erosion Solutions Ltd., and Terrafix Geosynthetics for an additional two (2) years, to May 6, 2025, at a total cost not to exceed \$666,345, plus applicable taxes; to be expended as authorized by TRCA staff;

THAT TRCA staff be authorized to approve additional expenditures to a maximum of \$99,950 (15% of the anticipated expenditures), plus applicable taxes, in excess of the contract cost as a contingency allowance if deemed necessary;

AND FURTHER THAT authorized TRCA officials be directed to take whatever action may be required to implement these extensions, including the obtaining of necessary approvals and the signing and execution of any documents.

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BACKGROUND

TRCA requires supply and delivery of various erosion and sediment control ('ESC') materials to complete a variety of engineering, habitat restoration, and trail building projects throughout TRCA's jurisdiction. These materials are crucial for preventing erosion and sediment deposition in waterways adjacent to, and within, TRCA's construction projects.

Through a VOR arrangement for various erosion and sediment control materials, Vendors are authorized to provide these goods for a defined period with set unit pricing. In accordance with the contract documents for this VOR arrangement, staff may contact a Vendor on the list with the material and delivery turn-around times required for their project with a value up to \$25,000 per project, per annum. Goods and services above this threshold will be procured through a separate competition and are subject to TRCA's Procurement Policy. Vendors will provide all resources required to service the divisional or program needs in accordance with applicable laws, codes, standards, and terms and conditions of the VOR agreement.

Furthermore, where Vendors on the VOR list do not have materials available for a particular project within the timelines required for TRCA to meet its deliverables, staff are authorized to procure required services separate of this VOR, following TRCA's Procurement Policy.

At the Board of Directors Meeting held on March 26, 2021, Resolution #A57/21 was approved in part as follows:

THEREFORE, LET IT BE RESOLVED THAT Request for Proposal (RFP) No. 10035552 - Vendors of Record for Supply and Delivery of Erosion and Sediment Control Materials be awarded to Devron Sales Ltd., Erosion Solutions Ltd., Layfield Canada Ltd., Nilex Inc., Organic Express Inc., and Terrafix Geosynthetics Inc. for two (2) years at a total cost not to exceed \$635,333, plus applicable taxes, to be expended as authorized by TRCA staff;

THAT TRCA staff be authorized to approve additional expenditures to a maximum of \$95,300 (approximately 15% of the anticipated expenditures), plus applicable taxes, in excess of the contract cost as a contingency allowance if deemed necessary;

Furthermore, the VOR agreements with all Vendors have the option to extend the contract by one (1) additional two (2) year term, at TRCA's discretion and upon written notice to the Vendors.

RATIONALE

On January 24, 2023, the Evaluation Committee for this contract conducted an annual review of the performance of the Vendors for Contract 10035552. The Committee recommended extending the current contract for an additional two (2) years with all

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Vendors, as the value and quality of services delivered under this contract were deemed satisfactory.

It is estimated that extending the expiry date from May 6, 2023, to May 6, 2025 will account for an increase in spending of up to \$666,345, plus 15% contingency, plus applicable taxes. This estimate is based on the average daily expenditures recorded at the time of writing this report. This value also assumes the potential for Vendors to increase unit prices based on inflation, as set out in the agreements with Vendors.

Relationship to TRCA's 2022-2034 Strategic Plan

This report supports the following Pillars and Outcomes set forth in TRCA's 2023-2034 Strategic Plan:

Pillar 1 Environmental Protection and Hazard Management:

- 1.1 Deliver provincially mandated services pertaining to flood and erosion hazards

Pillar 1 Environmental Protection and Hazard Management:

- 1.4 Balance development and growth to protect the natural environment ensuring safe sustainable development

FINANCIAL DETAILS

As of February 6, 2023, expenditures during the initial two-year term of the VOR contract have reached \$515,020, plus applicable taxes.

The anticipated value to extend the contract from May 6, 2023 to May 6, 2025 is a total of \$666,345, plus applicable taxes.

Vendors may increase unit rates to a maximum of the preceding year's [Ontario Consumer Price Index \(Toronto – All Items category\)](#) as published by Statistics Canada, at the time of extension and at each anniversary of the contract term. The most recent data published by Statistics Canada at the time of writing this report indicates a change of +6.0% for the period of December 2021 – December 2022, which could potentially translate to a 6.0% increase in Vendor unit rates across all material categories. For this reason, the value increase being proposed assumes a +6.0% increase of unit rates at the time of extension (May 6, 2023) as well as at the anniversary of the contract (May 6, 2024) for all Vendors.

While TRCA staff have made every reasonable effort to accurately forecast expenditures under this VOR contract, an increase or decrease in workload will have an impact on the value of this contract. Therefore, TRCA is additionally recommending a contingency of \$99,950, plus applicable taxes (15% of anticipated expenditures).

All Vendors on the VOR list understand both the potential cost and resource implications associated with changes in workload. ESC materials will be provided on an as required basis with no minimum orders guaranteed.

Services provided under this VOR are used to support a variety of capital and cost recoverable project accounts. The funds required for purchase of these services are budgeted directly within these accounts.

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