

Section I – Items for Board of Directors Action

TO: Chair and Members of the Board of Directors
Friday, April 19, 2024 Meeting

FROM: Anil Wijesooriya, Director, Restoration and Infrastructure

RE: **VENDOR OF RECORD ARRANGEMENT FOR SUPPLY & DELIVERY
OF VARIOUS AGGREGATES**
RFP No. 10039254

KEY ISSUE

Term and value extension for Contract No. 10039254 – Vendor of Record (VOR) for the supply and delivery of various aggregates.

RECOMMENDATION:

WHEREAS Toronto and Region Conservation Authority (TRCA) is engaged in a variety of projects that require the supply and delivery of various types of aggregate;

AND WHEREAS TRCA solicited proposals through a publicly advertised process and awarded Contract No. 10039254 to Brock Aggregates, Dufferin Aggregates, Glenn Windrem Trucking, Gott Natural Stone '99 Inc., J.C. Rock Ltd., James Dick Construction Ltd., Miller Paving Products, and Roman Building Materials on July 1, 2023 in accordance with RES.#A 107/23;

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

THEREFORE LET IT BE RESOLVED THAT TRCA staff be directed to exercise their contractual right to extend the VOR arrangement with Brock Aggregates, Dufferin Aggregates, Glenn Windrem Trucking, Gott Natural Stone '99 Inc., J.C. Rock Ltd., James Dick Construction Ltd., Miller Paving Products, and Roman Building Materials for an additional one (1) year to expire on July 1, 2025;

AND THAT TRCA staff be authorized to increase the value of Contract No. 10039254 by an additional \$1,618,267, plus applicable taxes, to account for additional spending anticipated for the one (1) year term extension;

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

BACKGROUND

TRCA requires the supply and delivery of various aggregates to implement a range of engineering, habitat restoration, and trail building projects throughout TRCA jurisdiction. There are five (5) categories of aggregate utilized by TRCA staff to support project implementation, which include:

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1. Granular
2. Gabion & Rip-rap
3. Stackable Armour Stone
4. Non-stackable Armour Stone
5. Round Stone

Through the current VOR arrangement, vendors are authorized to provide the specified goods and services for a defined period and with fixed pricing. In accordance with the contract documents for this VOR, staff may contact any vendor on the list with the type of aggregate and delivery capability required to meet their project needs with a value up to \$500,000 per aggregate type and size, per project, per annum. Aggregate goods and services above this threshold are procured through a separate bidding process subject to TRCA's Procurement Policy. Furthermore, where vendors on the VOR list do not have the aggregate materials available for a particular project meeting the specifications required for TRCA to meet its deliverables, staff are authorized to procure required aggregate materials separate of this VOR following TRCA's Procurement Policy.

All vendors on the VOR list are required to provide all resources required to service the divisional or program needs in accordance with applicable laws, codes, standards, terms, and conditions of the VOR agreement.

At the Board of Directors Meeting held on June 23, 2023, Resolution #A 107/23 was approved in part as follows:

THEREFORE LET IT BE RESOLVED THAT TRCA staff be directed to award Request for Proposal (RFP) No. 10039254 to Brock Aggregates, Dufferin Aggregates, Glenn Windrem Trucking, Gott Natural Stone '99 Inc., J.C. Rock Ltd., James Dick Construction Ltd., Miller Paving Products, and Roman Building Materials for the supply and delivery of various aggregates from July 1, 2023 to July 1, 2024 for a total cost not exceeding \$3,800,000, plus applicable taxes, to be expended as authorized by TRCA staff;

THAT TRCA staff be authorized to approve additional expenditures to a maximum of \$570,000 (15% of anticipated expenditures), plus applicable taxes, in excess of the contract cost as a contingency allowance if deemed necessary;

AND THAT TRCA staff have the option to extend the term of the contract by one (1) year pending further Board of Director approval.

RATIONALE

On February 5, 2024, an Evaluation Committee comprised of TRCA Construction Services staff conducted a performance review for Contract No. 10039254. This review assessed vendor performance as well as contract expenditures and pricing. Specifically, the Committee compared aggregate pricing within the VOR to recent separate procurements completed by TRCA and found pricing to be comparable to this VOR contract. Additionally, the Committee concluded that the VOR reduces contract

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administration time and offers a more efficient procurement process when compared to separately procuring aggregate materials. Lastly, the Committee found that all vendors performance to date was satisfactory and met contract requirements. For these reasons, TRCA recommends extending the current contract with all vendors for an additional one (1) year term to expire on July 1, 2025.

It is estimated that extending the contract expiry date from July 1, 2024, to July 1, 2025 will account for an additional \$1,618,267 in spending, plus applicable taxes. This estimate is based on 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 the inflation rate recorded for the preceding year, as set out in the VOR Agreement with vendors.

Relationship to TRCA's 2023-2034 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 4 Service Excellence:

- 4.3 Responsive relationships and a trusted brand with a reputation for excellence

FINANCIAL DETAILS

As of February 5, 2024, the current term of the contract (July 1, 2023 – July 1, 2024) has been active for 7-months and is 58% complete. Expenditures over this 7-month period amounted to \$1,386,637, plus applicable taxes. It is estimated that the remaining 5 months of the contract will bring the estimated total expenditures by the end of the current term to \$2,657,116, plus applicable taxes. Based on these estimated expenditures, \$1,142,884, plus applicable taxes will remain on the contract, to be carried forward toward the proposed extension.

Considering the above estimated expenditures, the anticipated value to extend the contract from July 1, 2024, to July 1, 2025 would be for a total of \$1,618,267, plus applicable taxes.

The value increase being proposed assumes a +4.2% increase of unit rates, as 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. The most recent data published by Statistics Canada at the time of writing this report indicates a change of +4.2% for the period of December 2022 – December 2023.

While TRCA staff have made reasonable efforts to accurately forecast expenditures under this VOR using existing expenditure data and project knowledge, an increase or decrease in workload will ultimately have an impact on the overall expenditures of this

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contract. The goods and services supplied through this VOR arrangement are provided on an “as required” basis with no minimum service order requests guaranteed. All vendors on the VOR list understand both the potential cost and resource implications associated with changes in workload.

Goods and services supplied through this VOR are used to support a variety of capital and cost recoverable project accounts. The funds required to purchase aggregate goods and services are budgeted directly with these accounts.

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