

Section I – Items for Board of Directors Action

TO: Chair and Members of the Executive Committee
Meeting #4/20, Friday, June 12, 2020

FROM: Moranne McDonnell, Director, Restoration and Infrastructure

RE: **VENDORS OF RECORD FOR SUPPLY AND DELIVERY OF VARIOUS
AGGREGATE – CONTRACT EXTENSION**

KEY ISSUE

Extension of Contract No. 10021054 expiry date from July 1, 2020 to July 1, 2021

RECOMMENDATION

WHEREAS Toronto and Region Conservation Authority (TRCA) is engaged in a variety of programs/projects that require various aggregates;

AND WHEREAS TRCA solicited proposals through a publicly advertised process and awarded Contract No. 10021054 to 1035477 Ontario Limited-Glenn Windrem Trucking, Dufferin Aggregates (CRH Canada Group), Elite Stones Quarries, James Dick Construction Ltd., and J.C. Rock Ltd. at Board of Directors Meeting RES.#A132/19;

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

THE EXECUTIVE COMMITTEE RECOMMENDS THAT TRCA staff be directed to exercise their contractual right to extend the Vendor of Record (VOR) arrangement with 1035477 Ontario Limited-Glenn Windrem Trucking, Dufferin Aggregates (CRH Canada Group), Elite Stones Quarries, James Dick Construction Ltd., and J.C. Rock Ltd. for the supply and delivery of various aggregate for an additional year;

THAT Contract No. 10021054 for supply and delivery of various aggregate be extended at a total cost not to exceed \$2,449,910, plus applicable taxes, to be expended as authorized by TRCA staff;

THAT vendors may increase unit rates at the time of extension in accordance with the original contract terms;

THAT the threshold for the VOR extension term be set at \$500,000 per aggregate type and size per project;

THAT should the vendors not be able to supply aggregate materials for a particular project, staff be authorized to conduct a separate procurement process per TRCA's Procurement Policy;

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

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BACKGROUND

TRCA requires various aggregates for implementation in a variety of engineering, habitat restoration and trail building projects throughout TRCA's jurisdiction. Through a VOR arrangement for various aggregates, vendors are authorized to provide these goods and services for a defined period of time and with fixed pricing. In accordance with the contract documents for the VOR arrangement, staff may issue Purchase Orders for any vendor on the list with the goods, expertise and experience required for their project or program requirements.

Furthermore, where the suppliers on the VOR list are not available for a particular project within the timelines required for TRCA to meet its deliverables, staff are authorized to procure the required goods and services following TRCA's Procurement Policy. Vendors are to provide all resources required to service the divisional or program needs in accordance with applicable laws, codes, standards, terms and conditions of the vendor of record agreement.

At Board of Directors Meeting #6/19, held on June 21, 2019, Resolution #A132/19 was approved in part as follows:

THAT TRCA staff be directed to establish a Vendor of Record arrangement with 1035477 Ontario Limited-Glenn Windrem Trucking, Dufferin Aggregates (CRH Canada Group), Elite Stones Quarries, James Dick Construction Ltd., and J.C. Rock Ltd. for the supply and delivery of various aggregates for one (1) year with the option to extend for an additional year;

RATIONALE

On May 11, 2020 the Evaluation Committee for this contract conducted an annual review of the performance of vendors for Contract 10021054. The Committee recommended extending the current contract for an additional year with all vendors, as the value and quality of services delivered under this contract was deemed satisfactory.

For the initial term of this contract TRCA staff were instructed to procure aggregate up to a limit of \$200,000 per project until a formal threshold could be evaluated and established. With the approval of this extension, this threshold will be set at \$500,000, per aggregate type and size per project, for the term of the VOR extension. This increase in threshold will significantly reduce contract administration costs associated with issuing multiple Requests for Tenders (RFTs), while remaining aligned with the Board of Director's approval threshold and similar thresholds for bonding requirements for public contracts in the construction industry. With this increase in threshold it is expected that the value for this extension will be increased by \$2,060,000, plus applicable taxes.

Based upon a review of various aggregates procured under the previous VOR arrangement and a projection of 2019 and 2020 material needs, the anticipated costs for the requested goods and services under this VOR was approximately \$4,000,000. However, based on the daily expenditures during the term of the contract, the proposed extension period from July 1, 2020 to July 1, 2021 would require an additional \$28,150, plus applicable taxes. An additional \$22,610 is required for a potential increase of vendor unit rates by 1%, to account for Consumer Price Index (CPI) adjustments; plus \$339,150 to account for a projected increase in aggregate requirements by 15% during the extension as a result of increased workload.

Based on the forecasted expenditures mentioned above and the current contract value, the total value increase required for this extension is approximately \$2,449,910, plus applicable taxes.

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The revised anticipated costs under the entire term of this VOR would therefore be \$6,449,910, plus applicable taxes.

Relationship to Building the Living City, the TRCA 2013-2022 Strategic Plan

This report supports the following strategies set forth in the TRCA 2013-2022 Strategic Plan:

Strategy 7 – Build partnerships and new business models

Strategy 2 – Manage our regional water resources for current and future generations

FINANCIAL DETAILS

The anticipated value of the extension of this contract is approximately \$2,449,910, plus applicable taxes. An increase or decrease in workload will have an impact on the value of this contract. All vendors on the VOR list understand both the potential cost and resource implications associated with changes in workload. The services will be provided on an “as required” basis with no minimum orders guaranteed.

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 indicates a percentage change of +0.4 for the period of March 2019 – March 2020; which translates to a 0.4% increase in vendor unit rates across all aggregate categories. The value increase being proposed for this contract extension assumes a 1% increase of unit rates at the time of extension (July 1, 2020) for all Vendors.

Funds for this contract are identified in a variety of capital and cost recoverable project accounts.

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