

Section I – Items for Board of Directors Action

TO: Chair and Members of the Executive Committee
Friday, March 11, 2022 Meeting

FROM: Anil Wijesooriya, Director, Restoration and Infrastructure

RE: **VENDOR OF RECORD ARRANGEMENT FOR SUPPLY AND DELIVERY OF VARIOUS AGGREGATES**
Contract Extension and Value Increase Contract No. 10035681

KEY ISSUE

Extension of Contract No. 10035681 from July 1, 2022, to July 1, 2023; as well as value increase for the remainder of the initial contract term (July 1, 2020 to July 1, 2022).

RECOMMENDATION

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

WHEREAS TRCA solicited proposals through a publicly advertised process and awarded Contract No. 10035681 to Dufferin Aggregates, Elite Stone Quarries Ltd., Glenn Windrem Trucking, J.C. Rock Ltd, James Dick Construction Limited, Natural Stone Source Ontario, and Strada Aggregates at Board of Directors Meeting RES.#A116/21;

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

WHEREAS TRCA increased the maximum spending threshold under this VOR from \$200,000 to \$500,000 per Purchase Order;

AND WHEREAS TRCA has been involved in an increased amount of work requiring aggregate during the initial term of the contract;

THEREFORE THE EXECUTIVE COMMITTEE RECOMMENDS THAT TRCA staff be directed to exercise their contractual right to extend the Vendor of Record (VOR) arrangement with Dufferin Aggregates, Elite Stone Quarries Ltd., Glenn Windrem Trucking, J.C. Rock Ltd, James Dick Construction Limited, Natural Stone Source Ontario, and Strada Aggregates for one (1) year at a total cost not to exceed \$12,390,000, plus applicable taxes; to be expended as authorized by TRCA staff;

AND THAT the value of the contract be increased by an additional \$8,890,000, plus applicable taxes, to account for further spending related to workload and maximum Purchase Order threshold increases within the initial one (1) year term of the contract;

AND THAT authorized TRCA officials be directed to take whatever action may be required to implement these extensions, 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 held on May 28, 2021, Resolution # A116/21 was approved in part as follows:

THEREFORE, LET IT BE RESOLVED THAT Request for Proposal (RFP) No. 10035681 - Vendors of Record for Supply and Delivery of Various Aggregates be awarded to Atlantis Marine Construction Canada Inc., Dufferin Aggregates, Elite Stone Quarries Ltd., Glenn Windrem Trucking, J.C. Rock Ltd, James Dick Construction Limited, Natural Stone Source Ontario, and Strada Aggregates for one (1) year at a total cost not to exceed \$1,912,726, plus applicable taxes, to be expended as authorized by TRCA staff;

THAT TRCA staff be authorized to approve additional expenditures to a maximum of \$286,909 (approximately 15% of the anticipated expenditures), plus applicable taxes, in excess of the contract cost as a contingency allowance if deemed necessary;

THAT TRCA staff has the option to extend the term of the contract by one (1) year, pending further Board of Director approval;

RATIONALE

On January 19, 2022, the Evaluation Committee for this contract conducted an annual review of the performance of Vendors for Contract 10035681. 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.

It is estimated that extending the expiry date from July 1, 2022, to July 1, 2023 will account for an increase in spending of up to \$12,390,000, plus applicable taxes. This estimate is based on the average daily expenditures recorded at the time of writing this report. This value also includes the potential for unit price increases as well as an assumed increase in workload.

In addition to the increase required for the extension of this contract, TRCA anticipates the need to increase the value of this contract by an additional \$8,890,000, plus applicable taxes to account for expenditures forecasted for the remainder of the initial one (1) year term.

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Approximately \$4,055,000 of this forecasted amount is estimated to be a result of increasing the maximum spend threshold per purchase order created under this VOR from \$200,000 to \$500,000, which was originally established with the report to the Board of Directors on May 28, 2021. TRCA must conduct separate procurement processes subject to TRCA's Procurement Policy for projects/programs above this \$500,000 threshold. Above this value, TRCA staff must conduct a separate procurement process for their projects, subject to TRCA's Procurement Policy.

While this increase has reduced contract administration time and retained competitive rates, the expenditures were not captured in the original report to the Board of Directors on May 28, 2021 and were only identified after conducting the annual review of the VOR on January 19, 2022.

An additional \$4,835,000 increase is proposed to account for unassumed growth in the quantity and the scope of work for projects been taking on. Some of this growth in demand for aggregate can be attributed to the Disaster Mitigation and Adaptation Funding (DMAF) funded projects such as:

- Bluffers Park South Headland and Beach Project;
- Humber Bay Park East Major Maintenance Project; and
- Sunnyside Park Revetment Maintenance Project.

Other initiatives outside of the DMAF portfolio include:

- Ashbridges Bay Treatment Plant Landform Project;
- University of Toronto Scarborough Campus Bank Stabilization Project,
- Bolton Berm Major Maintenance Project;
- Moore-Heath Beltline Trail Switchback; as well as
- Many other projects within TRCA's jurisdiction

While TRCA staff make every reasonable effort to accurately forecast expenditures under these VOR contracts at the time of award, increases or decreases in workload have and will continue to have an impact on the total value of these contracts.

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

This report supports the following strategic priority 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 to extend the contract from July 1, 2022 to July 1, 2023 and the value increase required for the initial contract term to July 1, 2022 is a total of \$21,280,000, plus applicable taxes.

All Vendors on the VOR list understand both the potential cost and resource implications associated with changes in workload. Aggregate 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](#)

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[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 +4.7 for the period of December 2020 – December 2021, which could potentially translate to a 4.7% increase in Vendor unit rates across all aggregate categories.

The value increase being proposed assumes a +4.7% increase of unit rates at the time of extension (July 1, 2022) for all Vendors..

This VOR ensures consistent pricing and streamlined delivery to improve operational efficiency at TRCA projects.

Material purchased under this VOR is used to support a variety of capital and cost recoverable project accounts. The funds required for purchase of material are budgeted directly within these accounts.

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Date: February 1, 2022