

Section I – Items for Board of Directors Action

TO: Chair and Members of the Board of Directors
Friday, February 25, 2022 Meeting

FROM: Anil Wijesooriya, Director, Restoration and Infrastructure

RE: **VENDOR OF RECORD ARRANGEMENT FOR RENTAL OF CONSTRUCTION EQUIPMENT**
Value Increase Contract No. 10033257

KEY ISSUE

Value increase required to complete the term of Contract No. 10033257 – Vendors of Record (VOR) for Rental of Construction Equipment to address additional work required at the request of municipal and agency partners.

RECOMMENDATION

WHEREAS Toronto and Region Conservation Authority (TRCA) is engaged in ongoing programs/projects that require the utilization of a variety of rented construction equipment;

AND WHEREAS TRCA solicited proposals through a publicly advertised process and awarded Contract No. 10033257 to Aqua-tech Dewatering Company Inc., Atlas Dewatering Corporation, CONEQ Rentals, Herc Rentals, Rapid Equipment Rental Limited, Sunbelt Rentals of Canada, and United Rentals of Canada, Inc. at the June 26, 2020 Board of Directors Meeting (RES.#A101/20);

AND WHEREAS Rental of construction equipment takes place on a as-needed basis, as demand fluctuates with funding of new projects and an increase or decrease in workload has an impact on the value of the contract.

AND WHEREAS TRCA has been involved in projects which have a greater demand for rental construction equipment than originally estimated for the contract;

THEREFORE THE BOARD OF DIRECTORS RECOMMENDS THAT TRCA staff be directed to increase the value of the contract by a total not to exceed \$800,000, plus applicable taxes; in order to allow work to continue until the contract expiry date of August 1, 2022.

BACKGROUND

TRCA requires various construction equipment for completing a variety of engineering, habitat restoration, and trail building projects throughout TRCA's jurisdiction. Equipment includes everything from earthmoving equipment, like excavators and front-end loaders to pumps and generators to conduct by-pass pumping.

Through a VOR arrangement for rental of construction equipment, Vendors are authorized to provide these goods and services for a defined period 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

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needs.

Furthermore, where the rental companies 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 services through a separate procurement process which is subject to TRCA's Procurement Policy. Vendors 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 vendor of record agreement.

At Board of Directors Meeting #5/20, held on June 26, 2020, Resolution #A101/20 was approved in part as follows:

THAT TRCA staff be directed to establish a Vendor of Record arrangement with Aqua-tech Dewatering Company Inc., Atlas Dewatering Corporation, CONEQ Rentals, Cooper Equipment Rentals, Herc Rentals, Rapid Equipment Rental Limited, Sunbelt Rentals of Canada, and United Rentals of Canada, Inc. for the supply of rented construction equipment for a period of one (1) year with the option to extend for an additional year;

This contract was extended by an additional year at the Executive Committee Meeting held on June 11, 2021, Resolution #B65/21 was approved in part as follows:

THEREFORE, LET IT BE RESOLVED THAT TRCA staff be directed to exercise their contractual right to extend the Vendors of Record arrangement with Aqua-tech Dewatering Company Inc., Atlas Dewatering Corporation, CONEQ Rentals, Herc Rentals, Rapid Equipment Rental Limited, Sunbelt Rentals of Canada, and United Rentals of Canada, Inc. for rental of construction equipment for an additional year;

RATIONALE

TRCA staff have been utilizing this VOR contract since August 1, 2020 to accommodate construction equipment needs at projects throughout TRCA's jurisdiction and TRCA staff are satisfied with the services to date. Rental companies provide TRCA staff with a catalog of upwards of 180 different pieces of equipment.

Categories of equipment under this VOR contract include the following:

- Air Compressors;
- Compaction Equipment;
- Concrete & Masonry Equipment;
- Earth Moving Equipment;
- Elevated Work Platforms;
- Generators & Portable lighting;
- Landscaping Equipment;
- Light Use Pumps; and
- Heavy Use Pumps.

It is estimated that in order to reach the full two (2) year term of this contract (August 1, 2020 to August 1, 2022) a value increase in the amount of \$800,000, plus applicable taxes will be required. This value is estimated based on the daily expenditures under this contract at the time of writing this report. The original value of this contract was underestimated, as TRCA has taken

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on projects at the request of municipal and agency partners that have a greater need for rental construction equipment than originally anticipated.

For example, the Restoration & Infrastructure division within TRCA has taken on a large portfolio of projects that utilize this rental contract, including but not limited to:

- Nashville Kirby Trail Switchback;
- Moore-Heath Beltline Trail Switchback;
- Clareville North Multi-Use Trail Project;
- Jefferson, Jordan and Jayfield Revitalization Project; and
- Oak Ridges Lake-to-Lake Trail Project.

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

Strategy 7 – Build partnerships and new business models

FINANCIAL DETAILS

The current estimated expenditure for the term of the contract is \$1,150,920, plus applicable taxes. Based on a review of previous work completed and future requirements for construction equipment rentals, the anticipated additional cost to complete the term of the contract is estimated at \$800,000, plus applicable taxes for a revised contract value of \$1,950,920, plus applicable taxes.

All vendors on the VOR list understand both the potential cost and resource implications associated with changes in workload. The services under this VOR contract will be provided on an “as required” basis with no minimum orders guaranteed.

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

Equipment rented through this VOR is used to support a variety of capital and cost recoverable project accounts. The funds required for rental of this equipment are budgeted directly within these accounts.

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