

MEETING DATE: July 14, 2004

SUBJECT: Procurement Authorization Hillcrest Yard On-Grade Paving Rehabilitation Contract M1-50

RECOMMENDATION

It is recommended that the Commission authorize the acceptance of the tender submitted by Grascan Construction Ltd. (Grascan) in the amount of \$1,477,000.00 for Contract M1-50 – Hillcrest Yard On-grade Paving Rehabilitation.

FUNDING

Sufficient funds for this expenditure are included in Project 3.3 Yards and Roads, under On-Grade Paving Rehabilitation Program as set out on pages 557 to 567 and in Project 1.2 Surface Track under the Special Trackwork Program as set out on pages 71 to 80 (State of Good Repair and Safety category) of the TTC 2004-2008 Capital Program which was approved by City Council on April 21, 2004.

The Special Trackwork was originally scheduled to be completed in late 2003, however to address engineering and scheduling issues it was deferred to 2004. Efforts will be made to accommodate the Special Trackwork portion of this contract expenditure (\$1,108,000) within the 2004 budget allocation, however sufficient under-expenditures have not yet been identified in the Total Capital Program to cover this current year cashflow.

BACKGROUND

Hillcrest Complex consists of many facilities for the maintenance of buses and streetcars. The existing pavement in the yard is now showing major distress in the pavement structure and subsurface conditions. Detailed investigation concluded that the proposed rehabilitation work be undertaken at this time. This rehabilitation work is concurrently scheduled with the track replacement work that is carried out by Operations forces.

DISCUSSION

Contract M1-50 – Hillcrest Yard On-Grade Paving, provides for the removal and replacement of existing asphalt and subgrade granular base as well as associated drainage work and new sidewalks, including the track foundation and concrete infill for the streetcar tracks. The track replacement work will be carried out by Operations unionized work force.

Tender documents were prepared for Contract M1-50, Hillcrest Yard – On-Grade Paving Rehabilitation and a Request for Tenders was publicly advertised on TTC's web site on June 8, 2004. Thirteen (13) companies requested copies of tender documents out of which one submitted a tender, which is summarized in Appendix 'A'.

Grascan submitted the only tender and did not state any exceptions or qualifications. Grascan has satisfactorily completed work of a similar size and nature for the Commission in the past. They did not offer any alternatives for consideration and their tender is considered commercially acceptable.

Based on a review of the contractor's financial statements, it appears they have the financial capability to perform this contract.

All other Tenderers who requested copies of the tender documents were contacted subsequent to closing and asked why they did not bid on this requirement and the overwhelming response was that they were all too busy at this time to bid.

The Agreement to Bond submitted by Grascan covers both a Labour and Material Payment Bond and a Performance Bond. The Surety Company noted on the tender is licensed to transact business under the Insurance Act of Ontario.

JUSTIFICATION

The tender submitted by Grascan is the only tender received and is a compliant tender.

July 2, 2004
50-31-25
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Attachment

APPENDIX 'A'

**HILLCREST YARD – ON-GRADE PAVING REHABILITATION
CONTRACT M1-50**

SUMMARY OF TENDERS

COMPANY	TENDERED PRICE
Grascan Construction Ltd.	\$1,477,000.00
Engineer's Estimate	\$1,600,000.00