

MEETING DATE: July 14, 2004

SUBJECT: Procurement Authorization - Snow Clearing And Salting At The Commission's Operating Garages And The Toronto Coach Terminal

RECOMMENDATION

It is recommended that the Commission approve the award of a contract to Industrial Property Services (IPS) in the upset limit amount of \$1,188,000 for snow clearing, salting and snow removal services for the term November 15, 2004 to April 14, 2007.

FUNDING

Sufficient funds are included in the 2004 TTC Operating Budget and will be included in future Operating Budgets, as required.

BACKGROUND

The Commission contracts for snow clearing and salting at six Operating Garages and the Toronto Coach Terminal. The previous contracts for this service expired on April 14, 2004 and new contracts are required for the next three years.

At its meeting of November 19, 2003, the Commission requested that staff report back on the feasibility of adjusting the requirement for snow clearing and salting to permit smaller companies to bid. Staff subsequently recommended that the garages and the Toronto Coach Terminal (TCT) requirements be divided into 5 zones based on logical geographical areas within Toronto with 1 to 2 garages/properties in each zone.

The Commission committed to reducing the amount of road salt being used by implementing the City of Toronto's Salt Management Plan, where applicable and these requirements were included as an option in the Request for Proposal (RFP).

DISCUSSION

Forty companies were invited to submit proposals in addition to a public advertisement in the TTC's web site, out of which four companies submitted proposals as detailed on the attached Appendix 'A'.

The RFP permitted proponents to bid on all or any one or more of the zones and the Commission retained the right to award one contract for all of the zones or separate contracts for each of the zones and any combination thereof, depending on bid results.

Proponents were required to submit separate flat rate prices for snow clearing and salting, with payment based on the flat rate pricing, regardless of the amount of snowfall or the frequency or amount of salting during the contract term. In addition, unit prices for extra work were requested for the removal of snow off each site, if required.

Proponents were requested to submit flat rate pricing for the supply and application of salt in accordance with the salt management requirements specified in the RFP, which were derived from the City of Toronto's Salt Management Plan. This pricing was to remain open for acceptance at the discretion of the TTC any time during the term of the contract.

Proponents were also requested to submit information to demonstrate they were capable of performing the work successfully (i.e. contracts of a similar size and nature, a list of equipment that would be dedicated to the work, details of the location where they intended to dump/store snow off the TTC's sites, Material Safety Data Sheets [MSDS] for the road salt, etc.). Proponents were also required to submit a bid and performance bond. This requirement was included as a result of a previous contractor for this type of service that went into receivership and defaulted on the contract.

Jack Greedy submitted pricing for all five zones and had the lowest price for one zone, however they failed to submit the required agreement to bond. Therefore, they are considered commercially non-compliant.

IPS submitted pricing for all five zones and had the lowest price for four zones and the lowest compliant price for the fifth zone. They did not state any exceptions or qualifications and provided all of the submission requirements. They are the current contractor for snow clearing at the east-end commuter lots and were the previous contractor for the six operating garages and the Toronto Coach Terminal and their performance has been satisfactory. Their proposal is considered commercially and technically acceptable and they are recommended for award.

Jimrick's submitted pricing for two zones, but did not have the lowest price for either zone. They failed to submit the required MSDS for road salt as well as the required details on the off-site properties they would use to dump/store snow. Additionally, Jimrick's failed to submit the required list of equipment dedicated to the work. Jimrick's proposal is considered commercially and technically non-compliant.

Springview Landscaping (Springview) submitted pricing for only one zone and were not the lowest price for that zone. They also did not submit pricing for the salt management plan requirements and failed to submit the required information on off-site properties to be used to dump/store snow. Also based on the list of equipment they submitted, staff does not believe that Springview could successfully perform the work. Springview's proposal is considered commercially and technically non-compliant.

The pricing submitted by IPS for the first year of the contract, excluding the Salt Management Plan requirements, is approximately 13% higher than the previous contract's pricing. This increase can be attributed primarily to liability insurance rate increases that have doubled or tripled for contractors over the past 2 years as well as higher fuel costs. There is no price increase for year 2 over year 1 pricing and a 5% increase for year 3 over year 2 pricing.

The recommended upset limit amount has been established based on implementing the City of Toronto's Salt Management Plan for all three years of the contract.

Additionally, the recommended upset limit includes an allowance of approximately 1% for variation in the amount of snow to be removed from each site and stored elsewhere, except for the Toronto Coach Terminal as off site removal of snow is included in the flat rate pricing for that site.

JUSTIFICATION

The award of a contract to IPS will ensure the continued snow clearing, salting and snow removal services for the Commission's Operating Garages and the Toronto Coach Terminal for a three-year period.

July 5, 2004

9-118-76

Attachment – Appendix 'A'

APPENDIX 'A'

**SNOW CLEARING AND SALTING AT THE COMMISSION'S
OPERATING GARAGES AND THE TORONTO COACH TERMINAL**

PROPOSAL SUMMARY

ZONES	PROPERTIES	SPRINGVIEW LANDSCAPING	IPS	JIMRICK'S	JACK GREEDY
ZONE 1	Queensway	No Quote	\$157,557.50	No Quote	\$138,030
ZONE 2	Arrow Road and Wilson	\$428,000	\$315,115	No Quote	\$455,820
ZONE 3	Malvern	No Quote	\$157,557.50	\$296,925	\$224,700
ZONE 4	Eglinton and Birchmount	No Quote	\$510,925	\$1,147,575	\$1,393,140
ZONE 5	Toronto Coach Terminal	No Quote	\$34,721.50	No Quote	\$93,090
TOTAL PRICE		\$428,000 ***	\$1,175,876.50*	\$1,444,500	\$2,304,780 **

NOTES:

* Recommended for award

** Commercially non-compliant

*** Price does not include salt management plan requirements