

TORONTO TRANSIT COMMISSION REPORT NO.

MEETING DATE: January 21, 2013

SUBJECT: PROCUREMENT AUTHORIZATION
MALVERN GARAGE BUS WASHRACK UPGRADE
(PILOT PROJECT) CONTRACT H1-15

ACTION ITEM

RECOMMENDATION

It is recommended that the Commission authorize the award of Contract H1-15, Malvern Garage Bus Washrack Upgrade (Pilot Project) to Matheson Constructors (Matheson) in the amount of \$2,836,300.00 inclusive of all taxes on the basis of lowest acceptable total bid price.

FUNDING

Sufficient funds for this expenditure are included in Bus Washrack Project under the State of Good Repair Category in the TTC's 2012-2016 Capital Program, which was approved by the Commission on December 14, 2011 and by City Council on January 17, 2012.

BACKGROUND

The existing bus wash system at Malvern Garage provides poor quality of washes and requires frequent repairs. The Bus Washrack Project will upgrade the existing bus wash systems to improve the quality of washes and to improve maintenance reliability. Additionally, the upgrade of the new bus wash system incorporates a new design which will accommodate both regular and articulated buses that are scheduled to arrive in 2013. This contract is a pilot project to upgrade the existing washracks that will be used to test and evaluate the new system.

DISCUSSION

Specifications and drawings were prepared for Contract H1-15 and a Request for Bids was posted on MERX as of October 1, 2012. Fourteen companies downloaded copies of the bid documents out of which six submitted a bid by the closing date of November 28, 2012 and are summarized on the attached Appendix "A".

R-Chad General Contracting Inc. (R-Chad) submitted the lowest priced bid and did not state any exceptions or qualifications. However, in accordance with the bid documents, R-Chad was required to submit a list of contracts of similar scope, complexity and cost completed within the last five years in order to verify its ability to perform the work forming the basis of the contract. The list of contracts as submitted by R-Chad were, in the opinion of TTC staff, not of a similar size and nature as it relates to the work required for Contract H1-15. Further, R-Chad has received two unsatisfactory performance reviews on current and previous TTC construction contracts. R-Chad was advised after receiving the first unsatisfactory performance review that if it received another unsatisfactory performance review, it would not be recommended for award of future TTC contracts. As a result, and in accordance with Clause 10 – Bid Evaluation and Acceptance of Section 00 21 00 - Instructions to Bidders, the Commission reserves the right at its sole discretion to refuse to accept any bid from a Bidder that received an unsatisfactory "Contractor Performance Review" rating in relation to a previous contract with the Commission. Consequently and as a result of the previous two unsatisfactory performance reviews, R-Chad's bid is not being recommended for award.

Matheson submitted the second lowest priced bid and also did not state any exceptions or qualifications and their bid is considered acceptable. Matheson has satisfactorily completed work of a similar size and nature for other organizations.

The Agreement to Bond submitted by Matheson covers both a Labour and Material Payment Bond and a Performance Bond and was submitted by Zurich Insurance Company, who have been verified as a Surety Company licensed to transact business under the Insurance Act of Ontario. As such they are considered financially capable of performing the work.

The successful Bidder will be required to execute a Performance Bond and Labour and Material Payment Bond, each in the amount of 50% of the contract value.

JUSTIFICATION

An upgrade to the existing bus wash system is required at Malvern Garage in order to provide the proper cleaning of the buses. The bid submitted by Matheson is the lowest priced acceptable bid.

December 21, 2012
50-04-169
03075-435-2

Attachment: Appendix A

APPENDIX A

PROCUREMENT AUTHORIZATION
MALVERN GARAGE BUS WASHRACKS UPGRADES (PILOT PROJECT)
CONTRACT H1-15

SUMMARY OF BID

<u>Company</u>	<u>Bid Price</u>
R-Chad General Contracting Inc.	\$2,689,400.00
Matheson Constructors*	\$2,836,300.00
Martinway Contracting Ltd.	\$2,845,227.00
The State Group	\$3,106,389.21
Buttcon Limited	\$3,158,350.00
Alpeza General Contracting Inc.	\$3,161,740.00
Engineer's Estimate	\$2,450,000.00
Recommended Company*	