

MEETING DATE: OCTOBER 31, 2001

SUBJECT: Procurement Authorization – Snow Clearing Services To The Commission's Commuter Parking Lots

RECOMMENDATION

It is recommended that the Commission approve the award of two contracts for snow clearing services for the Commission's Commuter Parking Lots on the basis of lowest tendered price each for a 5½ year term commencing January 1, 2002 as follows:

1. Metro Sodding and Snow Removal for the eleven east end lots, in the upset limit amount of \$1,518,819.69 including applicable taxes;
2. Amac Paving for the twelve west end lots, in the amount of \$1,179,741.34 including applicable taxes.

FUNDING

Sufficient funds are included in the 2001 TTC Operating Budget and will be included in future Operating Budgets.

BACKGROUND

The Toronto Parking Authority (TPA) has submitted a proposal for the operation of the Commission's commuter parking lots for a 5-1/2 year term. This proposal includes all aspects of the operations of the lots such as the maintenance of equipment, landscaping, painting of parking stall lines, repair of overhead lighting, snow plowing and removal, etc. Since the cost in TPA's proposal for snow plowing and removal is significant, competitive tenders for this portion of the work are being solicited.

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DISCUSSION

A Request For Proposal (RFP) was publicly advertised in the Globe and Mail on August 23, 2001 and was also advertised on the M&P Web site for the duration of the proposal period. Eleven companies requested copies of the proposal documents, out of which four companies submitted proposals as detailed on the attached Appendices 'A' and 'B'.

Proponents were requested to provide pricing for both a 5½ (Appendix 'A') and a 1 year term (Appendix 'B'). Within each term, Proponents were requested to provide pricing for two different service levels; the first is for snow plowing, salting and removal, with snow piled in designated areas, including 5% of the parking spots. The contractor will be required to maintain 95% of the parking spots clear of snow and available to commuters. Once these designated snow piling areas are filled to capacity, the company will be required to remove any additional snow from the lot. The second service level is for the plowing, salting and removal of 100% of the snow, with no snow piled in any areas on the lots such that 100% of the parking spots remain available.

Proponents were also given the option of quoting on all 23 lots, or choosing between either the east lots (11 locations) or west lots (12 locations). The Commission reserved the right to award for any option, or combination of options at its discretion.

Staff conducted a comparison of the additional cost to keep 100% of the parking spots available versus the revenue from the 5% of the parking spots that would be lost if only 95% of the parking spots were maintained clear of snow. The difference in the lowest tendered prices for the 95% versus 100% service level is \$1,460,462 higher for the 100% service level. The maximum revenue that would be foregone assuming 5% of the parking spots are not available during the winter season is significantly less than the extra cost for the 100% service level. Based on this comparison, staff recommend the 95% level of snow clearing for a 5½ year term.

The lowest evaluated price for the 95% snow clearing service level for a 5½ year term is achieved by combining the pricing offered by Metro Sodding and Snow Removal for the east end lots, and the pricing offered by Amac Paving for the west end lots. This combination represents a reduction of approximately 60% when compared to awarding to a single contractor (Industrial Property Services) for all 23 lots.

However, a comparison of the one year price (extended over a 5½ year term) for Metro Sodding versus their tendered 5½ year price reveals that their tendered 5½ year price represents a premium of approximately 80%. The price increases for subsequent years

over the rate for year one are considered to be excessive. As a result, staff is recommending approval to award a contract to Metro Sodding for a 5½ year term in the recommended upset limit based on their price for year one with staff negotiating the price for subsequent years of the contract.

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The 5½ years tendered pricing for Amac Paving is approximately 11% higher than their extended one year pricing. This increase over the 5½ years of the contract is considered acceptable and they are recommended to be awarded based on their tendered 5½ year pricing.

Both Amac Paving and Metro Sodding are currently performing the work at the west and east commuter lots respectively as a subcontractor to the current company managing the TTC’s commuter parking lots. Both of the recommended companies have performed satisfactorily. Neither of their submissions contained any exceptions or qualifications and both recommended companies are considered commercially acceptable.

Upon award of the snow clearing contracts, the Commission will assign these contracts to the company subsequently approved by the Commission to manage the TTC’s commuter parking lots. This company will be responsible for the administration of these contracts for their terms.

JUSTIFICATION

Award of the above mentioned contracts will ensure the continued plowing, salting and off-site removal services for the Commission’s commuter parking lots.

October 19, 2001

9-118-76

Attachment - Appendix ‘A’ and ‘B’

APPENDIX ‘A’

**SNOW CLEARING SERVICES TO THE COMMISSION'S COMMUTER
PARKING LOTS**

PRICE SUMMARY

PRICING BASED ON A 5½ YEAR CONTRACT TERM

PROPONENT	SERVICE DESCRIPTION	TOTAL TENDERED PRICE 95% SERVICE LEVEL
AMAC PAVING	Pricing based on service to the west end lots only (12 locations)	\$1,179,741.34 *
METRO SODDING AND SNOW REMOVAL	Pricing based on service to the east lots only (11 locations)	\$1,518,819.69 *
INDUSTRIAL PROPERTY SERVICES	Pricing based on service to the west end lots only (12 locations)	\$2,108,381.50
INDUSTRIAL PROPERTY SERVICES	Pricing based on service to the east end lots only (11 locations)	\$2,247,695.50
INDUSTRIAL PROPERTY SERVICES	Pricing based on service to all lots (23 locations)	\$4,359,287.00
GAZZOLA PAVING	Pricing based on service to all lots (23 locations)	\$7,841,869.50

The lowest evaluated cost for a 5½ year term contract at the 95% service level is achieved by combining the pricing offered by Metro Sodding and Snow Removal for the east end lots, and the pricing offered by Amac paving for the west end lots.

Amac Paving and Metro Sodding and Snow Removal	Combined, provide service to all lots (23 locations)
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*** Recommended for award**

APPENDIX 'B'

**SNOW CLEARING SERVICES TO THE COMMISSION'S COMMUTER
PARKING LOTS**

PRICE SUMMARY

PRICING BASED ON A 1 YEAR CONTRACT TERM

PROPONENT	SERVICE DESCRIPTION	TOTAL TENDERED PRICE 95% SERVICE LEVEL
AMAC PAVING	Pricing based on service to the west end lots only (12 locations)	\$194,231.75
METRO SODDING AND SNOW REMOVAL	Pricing based on service to the east lots only (11 locations)	\$153,408.04 (1)
INDUSTRIAL PROPERTY SERVICES	Pricing based on service to the west end lots only (12 locations)	\$371,825.00
INDUSTRIAL PROPERTY SERVICES	Pricing based on service to the east end lots only (11 locations)	\$397,505.00
INDUSTRIAL PROPERTY SERVICES	Pricing based on service to all lots (23 locations)	\$769,330.00
GAZZOLA PAVING	Pricing based on service to all lots (23 locations)	\$1,481,950.00

1. One year price extended over a 5½ year term is \$843,744.22.