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TORONTO TRANSIT COMMISSION

REPORT NO.

MEETING DATE: July 11, 2007

SUBJECT: Supply Of Snow Clearing, Removal, Salting & Sanding At Various TTC Properties
Procurement Authorization

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RECOMMENDATION

It is recommended that the Commission approve the issuance of purchase orders to the following companies in the upset limit indicated, which include applicable taxes, for snow clearing, removal, salting and sanding services for a five year term from July 16, 2007 to May 31, 2012:

1. Peter Young Ltd. o/a IPS in the upset limit amount of \$3,100,000; and
2. Across Canada Construction in the upset limit amount of \$3,100,000.

FUNDING

Sufficient funds have been included in the 2007 TTC Operating Budget and will be included in future budgets as required.

BACKGROUND

The Commission had a five year contract which expired on April 14, 2007 for snow clearing, snow removal, salting and sanding at various TTC properties located throughout the City of Toronto and include six garages, 29 commuter parking lots and the Toronto Coach Terminal Inc. (TCTI). New contracts are required to provide these services for the next five years.

DISCUSSION

Thirteen companies were invited to submit proposals in addition to the public advertisement on the TTC website on March 21, 2007, out of which nine companies submitted proposals as summarized in the attached Appendix 'A'.

The Request for Proposal (RFP) requested proponents to submit pricing for three price schedules for all 5 years of the contract, as explained below.

Price Schedule 1 consisted of three options (A, B or C). Proponents were requested to submit a firm flat rate price on one or more of these options for each year of the contract for snow clearing,

salting including removal off-site for specific locations, and the supply and spreading of salt/sand during the snow clearing season (November 15 to April 14 each year).

Option A of Price Schedule 1 was based on the award of all of the work to one bidder. Proponents were required to bid on all the locations in order to be considered for the award of this option. Option B of Price Schedule 1 was for the award of contracts to more than one bidder. TTC properties were divided into nine zones and proponents were required to submit a price for one or more of the nine zones to be considered for this option. Option C of Price Schedule 1 was for the award of the work to either one or two bidders. TTC Properties were divided into two zones (i.e. east and west). Proponents were requested to submit prices for either one or two zones to be considered.

Price Schedule 2 required Proponents to submit firm hourly rates per type of equipment for off-site snow removal at garage locations, during both the snow clearing season and the off season (after April 14 and before November 15 each year), on an as required basis.

Price Schedule 3 required Proponents to submit a firm price per activity (i.e. snow clearing, salting, snow removal, etc.), during the off season for snow clearing including removal at specific locations and the supply and spreading of salt/sand, on an as required basis.

Proponents were also required to submit the following mandatory submission requirements in order to be considered: a \$50,000 proposal security, a list of similar contracts completed within the last 5 years, work plan methodology including a list of equipment owned or leased and a list of off property sites used to dump snow (capacity and location).

Staff performed an analysis to determine which of the three options in Price Schedule 1 (i.e. Option A, B or C) would represent the lowest overall pricing. A comparison between the lowest total evaluated prices for each of the three options revealed that awarding Option B to the overall lowest compliant bidder for each zone represents the lowest overall pricing.

Peter Young Ltd. o/a IPS (IPS) submitted pricing for all of the pricing options. They submitted the lowest proposal price for Option A, 6 of the 9 zones (zone 1, 2, 3, 4, 5 & 8) in Option B and for both zones in Option C. In addition, IPS's submission indicated that there would be no additional charge for work covered in Price Schedule 3. IPS did not state any exceptions or qualifications to the Commission's standard Terms and Conditions. IPS is currently performing this contract for the Commission in a satisfactory manner. Their proposal is considered commercially and technically

acceptable and they are recommended for the award of 6 zones (i.e. zones 1, 2, 3, 4, 5 & 8) based on Option B for a five year term.

Across Canada Construction (Across Canada) submitted pricing for 4 of the 9 zones in Option B only. They are the lowest bidder for 2 zones (zone 6 & 7) and are the lowest compliant bidder for zone 9 (Tri-Nacc was the apparent low bidder for zone 9, but their submission was non compliant, see below). Across Canada did not state any exceptions or qualifications to the Commission's standard Terms and Conditions. As they have not previously performed work for the Commission, reference checks were performed, which indicated they had performed work for other companies in a satisfactory manner. Their proposal is considered commercially and technically acceptable and they are recommended for the award of 3 zones (i.e. zones 6, 7 & 9) based on Option B for a five year term.

614128 Ont. Ltd. o/a Trisan Construction (Trisan) submitted pricing for all of the pricing options and was not the low bidder for any option. Their proposal is considered acceptable.

AMAC Paving Ltd. (AMAC) submitted pricing for zones 6 and 7 in Option B only and Defina Haulage Ltd. (Defina) submitted pricing for zone 2 in Option B only. They were not the low bidder for these zones. Their proposals are considered acceptable.

The following four proponents omitted to submit at least one mandatory submission requirements and as a result, they were all deemed commercially non-compliant: Tri-Nacc Construction Ltd. omitted to submit their work plan methodology, the list of off-property sites used to dump snow and the pricing for the off season snow clearing (Price Schedule 3); Art LoFranco Ltd. omitted to submit the pricing for the off season snow clearing; Clintar Groundskeeping Service omitted to submit the list of off property sites used to dump snow; and Jack Greedy Ltd. omitted to submit the proposal security in one of the acceptable forms as specified in the proposal document.

The recommended upset limit amount includes an allowance of approximately 10% to cover the removal of snow off-site for the garage locations and for snow clearing/removal, salting/sanding during the off season, if required over the 5 year term of the contract.

The MSDS's for the road salt to be used from both of the recommended companies (IPS and Across Canada) have been reviewed and approved by the Safety Department. The TTC selects the least hazardous products that provide the best balance between performance, health and safety characteristics, environmental impact and cost.

A price comparison with the previous contracts pricing revealed an increase of 0.7% in year 1 of the contract; an increase of 1.0% in year 2 of the contract compared to year 1 pricing; an increase of 2.0% in year 3 of the contract compared to year 2 pricing; an increase of 1.0% in year 4 of the contract compared to year 3 pricing; and an increase of 2.6% in year 5 of the contract compared to year 4 pricing.

JUSTIFICATION

The award of the contracts to IPS and Across Canada will ensure the continued snow clearing, removal, salting and sanding services for the Commission's Operating Garages, Commuter Parking Lots and Toronto Coach Terminal Inc. for a five year period.

June 27, 2007

9-121-49

Attachment – Appendix – 'A'

Appendix 'A'

**SNOW CLEARING, REMOVAL, SANDING AND SALTING AT VARIOUS TTC
PROPERTIES**

PROPOSAL SUMMARY

PRICE SCHEDULE 1-OPTION A (BID ON ALL LOCATIONS)

INDUSTRIAL PROPERTY SERVICES	\$5,813,321.23
TRISAN CONSTRUCTION	\$13,726,560.10

PRICE SCHEDULE 1-OPTION B (BID PER ZONE FOR A TOTAL OF 9 ZONES)

	ZONE 1	ZONE 2	ZONE 3	ZONE 4	ZONE 5	ZONE 6	
INDUSTRIAL PROPERTY SERVICES *	\$242,821.62	\$565,021.02	\$269,801.80	\$903,836.03	\$70,148.47	\$ 975,876.29	\$1
TRISAN CONSTRUCTION	\$431,080.80	\$798,052.80	\$594,665.30	\$1,324,173.20	\$1,112,046.00	\$1,815,223.50	\$2
AMAC PAVING						\$1,116,921.16	\$1
ACROSS CANADA CONSTRUCTION **						\$ 894,091.98	\$1
DEFINA HAULAGE		\$2,003,400.00					
CLINTAR GROUNDSKEEPING	\$382,220.10	\$1,296,523.10	\$390,005.80		\$94,504.30		
ART LOFRANCO	\$464,645.18	\$1,026,798.45			\$239,772.00	\$1,450,422.38	\$1
TRINACC CONSTRUCTION							
JACK GREEDY	\$349,800.00	\$1,513,680.00				\$3,871,650.00	\$5

***Recommended for Award for Option B - Zone 1, 2, 3, 4, 5 & 8**

****Recommended for Award for Option B - Zone 6, 7 & 9.**

PRICE SCHEDULE 1 - OPTION C (bid on either or both East Zone and West Zone)

	ZONE 1 - East	ZONE 2 - West	TOTAL (zone 1 + zone 2)
INDUSTRIAL PROPERTY SERVICES	\$ 2,805,784.51	\$3,007,536.93	\$ 5,813,321.44
TRISAN CONSTRUCTION	\$ 6,651,961.10	\$7,075,765.00	\$13,727,726.10
ART LOFRANCO LTD.		\$4,951,096.01	\$ 4,951,096.01