



STAFF REPORT INFORMATION ONLY

Report on Over Expenditure to Contract 47008031, Tender Call 368-2002 for Snow Ploughing and Snow Removal in the Toronto & East York District and 47013094, RFQ 6038-07-3343 to provide Tri-Axle Dump Trucks for Snow Removal

Date:	June 11, 2008
To:	Public Works and Infrastructure Committee
From:	General Manager, Transportation Services Acting Director, Purchasing and Materials Management Division
Wards:	11, 12, 13, 14, 17, 18, 19, 20, 21 and 22
Reference Number:	P:\2008\Internal Services\pmmd\pw08012pmmd (AFS 7937)

SUMMARY

The purpose of this report is to advise on the over expenditures against Contract 47008031, Tender Call 368-2002 for Snow Ploughing and Snow Removal in the Toronto & East York District and for 47013094, RFQ 6038-07-3343 to provide Tri-Axle Dump Trucks for Snow Removal.

FINANCIAL IMPACT

The increased amount in the purchase order amendment for winter maintenance on collector and local roads covered under Contract 47008031 to the end of the contract term on March 31, 2008 is \$648,632.88 excluding G.S.T.

The increased amount in the purchase order amendment for the supply of tri-axle dump trucks for snow removal operations covered under Contract 47013094 to the end of the contract term on March 15, 2008 is \$931,594.00 excluding G.S.T.

The total combined value of the contract value increases to Contracts 47008031 and 47013094 is \$1,580,226.88.

As a result of approval of these amendments, there is a potential to overspend the Winter Stabilization Reserve in the amount of approximately \$7 million in 2008. Part of this potential overage may be absorbed within the overall Transportation Services Approved 2008 Operating Budget. The General Manager of Transportation and the Deputy City Manager and Chief Financial Officer will continue to monitor the overall variances on a quarterly basis and will report back following the third quarter variance report, if necessary, on any additional required funding.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

Contract 47008031 – Gazzola Paving Ltd.

The report found at

<http://www.toronto.ca/legdocs/2003/agendas/council/cc030521/wks4rpt/cl013.pdf> provided the approval for the issuance of this contract, also known as 02D1-180TR, under Tender Call 368-2002 to Gazzola Paving Ltd. for winter maintenance on collector and local roads in the Toronto & East York District, Area 2 for a five-year period from December 1, 2003 to March 31, 2008.

Contract 47013094 – Gazzola Paving Ltd.

The report found at

<http://www.toronto.ca/legdocs/2007/agendas/committees/bd/bd071219/it016.pdf> was approved by Bid Committee at its meeting of December 19, 2007, as found at <http://www.toronto.ca/legdocs/2007/agendas/committees/bd/bd071219/bddd.pdf>. It provided the approval for the issuance of this contract under Request for Quotation 6038-07-3343 to Gazzola Paving Ltd. for the supply of labour, equipment and materials necessary to provide tri-axle dump trucks for snow removal in the Toronto & East York District, Area 2 for the period December 15, 2007 to March 15, 2008.

ISSUE BACKGROUND

City Council, at its meeting of May 11 and 12, 1999, in considering Clause 1 of Report 6 of the Urban Environment and Development Committee, entitled “Snow Management Plan”, enacted a series of policies and service standards for winter maintenance. Among the matters dealt with was snow removal, which in accordance with the policy, is to be considered for problematic areas at accumulations of greater than 30 cm. In order to be prepared for such an eventuality, contracts are issued annually for the supply of a fleet of dump trucks, if needed, to provide for the haulage of snow. In addition, the existing contractors which provide snow clearing services on City streets also make provisions for crews to be assembled to assist with snow removal activities.

COMMENTS

Snow removal (loading excessively large windrows of ploughed snow from streets into trucks by means of snow blower or loader bucket equipment and hauling to dump areas) has not historically been an annual occurrence. However, since the extreme snow storms of 1999, contingencies were made to be prepared for dealing with such severe winter weather. Fleets of dump trucks are secured through contracts in the event they need to be deployed for snow removal. Each year very limited snow removal operations are routinely activated in extremely confined areas (e.g. Kensington Market) and the value of the contracts are set with this level of use in mind. Every few years, more extensive snow removal is necessary and these trucks would have to be engaged for longer durations. During the winter of 2003/2004, a similar condition arose, where the planned provision for snow removal activities was not sufficient to deal with the volume of actual snow removal that was required.

During this past winter, on a number of occasions in December, February and March, snow removal on a more wide-scale basis was initiated in the wake of major storms that left in excess of 30 cm of snow accumulation in some areas with blowing and drifting conditions making matters even worse. Of particular note, in February 2008, a city-wide snow removal operation was launched starting on February 15, and it ran continuously on a 24-hour basis for 11 days. These aggressive snow removal operations are initiated due to the windrows that are created from road and sidewalk ploughing, clearing of transit stops, corners, etc., resulting in many locations becoming close to impassable. To ensure that routes remained passable for transit and emergency vehicles and for the large volumes of commuter and business traffic on major economic thoroughfares, and for pedestrians, these activities became essential for the basic operation of the transportation network serving the City. Most often snow removal was focussed on streetcar and main bus routes, commercial areas, bike lanes, school zones and dead end and local streets where the lack of storage space and street parking made these locations extremely tight.

The impact of the above is that two (2) contracts were over spent for the last Winter Season as follows:

Contract 47008031

Increase the value of Contract 47008031 for Winter Maintenance on Collector and Local Roads, Snow Ploughing and Snow Removal in the Toronto & East York District, Area 2 for the period December 1, 2003 to March 31, 2008 by a total estimated amount of \$648,632.88 excluding G.S.T. from \$2,953,575.48 to \$3,602,208.36.

Contract 47013094

Increase the value of Contract 47013094 for the Supply of Tri-Axle Dump Trucks for Snow Removal Operations in the Toronto & East York District, Area 2 for the period December 15, 2007 to March 15, 2008 by a total estimated amount of \$931,594.00 excluding G.S.T. from \$1,387,000.00 to \$2,318,594.00.

All work under these contracts has now been completed. The amendments to the contracts are required to make the final payment for work conducted under these contracts.

It should also be noted that all additional expenditures are based upon the current terms, conditions and unit rates as in the respective contracts noted in this report.

CONTACT

R. Helary
Manager, Road Operations
Transportation Services,
Toronto and East York District
Tel: 416-394-2624
e-mail: rhela@toronto.ca

John McNamara
Manager, Goods & Services
Purchasing and Materials Management
Tel: 416-392-7316
e-mail: jmcnama@toronto.ca

SIGNATURE

V. Tryl, P.Eng.
Acting Director
Purchasing and Materials Management

Gary Welsh
General Manager
Transportation Services