



STAFF REPORT INFORMATION ONLY

Report on Over Expenditure to Contract 47013025 and 47013026, Request for Quotation (RFQ) 3701-07-0244 for the supply of all labour, equipment and material necessary to perform Tree Pruning and Removal TYPE 1 – 50' Aerial Bucket – Climbing Crew.

Date:	March 30, 2009
To:	Government Management Committee
From:	General Manager, Parks, Forestry and Recreation Acting Director, Purchasing and Materials Management
Wards:	ALL
Reference Number:	P:/2009/Internal Services/pmmd/gm09008pmmd (AFS 9764)

SUMMARY

The purpose of this report is to advise on the over expenditures against Contracts 47013025 and 47013026, Request for Quotation (RFQ) 3701-07-0244 for the supply of all labour, equipment and material necessary to perform Tree Pruning and Removal TYPE 1, 50' Aerial Bucket – Climbing Crew at various areas in the City of Toronto for the period ending February 26, 2009.

A new RFQ for Tree Pruning & Removal (Type I and Type II) was issued in November 2008. Contracts with multiple vendors resulting from this RFQ are now in place, with an effective starting date of February 27, 2009.

Financial Impact

The increased amount in the purchase order amendment for the supply of all labour, equipment and material necessary to perform Tree Pruning and Removal TYPE 1, 50' Aerial Bucket – Climbing Crew is covered under Contract 47013025 to the end of the contract term on February 26, 2009 is \$605,933.32 net of GST.

CONTRACT 47013025	
a) Original Contract Amount	\$1,711,360.00
b) Increase in funds (Amendment #1) dated August 28, 2008	\$420,000.00
c) Total Value of Contract as of August 28, 2008	\$2,131,360.00
d) Over expenditure of Funds as of February 26, 2009	\$185,933.32
e) Total increased amount over original contract amount (amendment and over expenditure)	\$605,933.32
f) Revised Value of Contract as of February 26, 2009	\$2,317,293.32

The increased amount in the purchase order amendment for the supply of all labour, equipment and material necessary to perform Tree Pruning and Removal TYPE 1, 50' Aerial Bucket – Climbing Crew is covered under Contract 47013026 to the end of the contract term on February 26, 2009 is \$523,279.20 net of GST.

CONTRACT 47013026	
a) Original Contract Amount	\$1,052,792.00
b) Increase in funds (Amendment #1) dated August 28, 2008	\$380,000.00
c) Total Value of Contract as of August 28, 2008	\$1,432,792.00
d) Over expenditure of Funds as of February 26, 2009	\$143,279.20
e) Total increased amount over original contract amount (amendment and over expenditure)	\$523,279.20
f) Revised Value of Contract as of February 26, 2009	\$1,576,071.20

The total contract value increase to Contracts 47013025 and 47013026 is \$1,129,212.52 net of GST (\$1,185,673.15 including all applicable taxes).

Over expenditures were covered within operating funds available in Cost centres P00030, P00031, P00038, P00039, P00046, P00068, P00069, P00090, P00091, P12135, and P12136 in the 2008 Parks, Forestry and Recreation Operating Budget.

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

DECISION HISTORY

Contract No. 47013025 – Ontario Line Clearing & Tree Services

The report found at:

<http://www.toronto.ca/legdocs/2007/agendas/committees/bd/bd071114/bddd.pdf>

provided the Bid Committee approval for the issuance of this contract under RFQ 3701-07-0244 in the amount of \$1,711,360.00 to Ontario Line Clearing & Tree Service for the supply of all labour, equipment and material necessary to provide Tree Pruning and Removal Type I, 50' aerial bucket – climbing crew for the period from December 1, 2007 to March 31, 2009.

Contract No. 47013026 – Davey Tree Expert Company of Canada

The report found at:

<http://www.toronto.ca/legdocs/2007/agendas/committees/bd/bd071114/bddd.pdf>

provided the Bid Committee approval for the issuance of this contract under RFQ 3701-07-0244 in the amount of \$1,052,792.00 to Davey Tree Expert Company of Canada for the supply of all labour, equipment and material necessary to provide Tree Pruning and Removal Type I, 50' aerial bucket – climbing crew for the period from December 1, 2007 to March 31, 2009.

COMMENTS

Due to the increased number of contract crews required for Asian Long Horned Beetle (ALHB), Emerald Ash Borer (EAB) and a significant backlog in large tree hazardous removals generated from windstorms in 2007 and 2008, an amendment to the original contract 47013025 value of \$1,711,360.00 in the amount of \$420,000.00 was requested and granted on August 28, 2008 in accordance with the City's Blanket Contract Amendment Procedures and the Financial Control By-law, Section 71-11.1.B. An amendment to the original Contract 47013026 value of \$1,052,792.00 in the amount of \$380,000.00 was requested and granted on August 28, 2008 in accordance with the City's Blanket Contract Amendment Procedures and the Financial Control By-law, Section 71-11.1.B.

A new RFQ document was initiated in November, 2008. While awaiting award of the new contracts and in order to support essential services/emergency response and mitigate public risks associated with hazard tree maintenance and removals, the amended value of Contract 47013025 was exceeded by \$185,933.32 and Contract 47013026 was exceeded by \$143,279.20. A Purchase Order Amendment has been completed and signed by the Director of Urban Forestry and General Manager of Parks, Forestry and Recreation in the amount of \$185,933.32 for Contract 47013025 and \$143,279.20 for Contract 47013026.

The impact of the above is that certain tree pruning and removal contracts experienced over expenditures. Two such contracts were:

Contract 47013025

Increase the value of Contract 47013025 for supply of all labour, equipment and material necessary to perform Tree Pruning and Removal TYPE 1, 50' Aerial Bucket – Climbing Crew for the period from December 1, 2007 to February 26, 2009 by a total amount of \$605,933.32 excluding GST from \$1,711,360.00 to \$2,317,293.32.

Contract 47013026

Increase the value of Contract 47013026 for supply of all labour, equipment and material necessary to perform Tree Pruning and Removal TYPE 1, 50' Aerial Bucket – Climbing Crew for the period from December 1, 2007 to February 26, 2009 by a total estimated amount of \$523,279.20 excluding GST from \$1,052,792.00 to \$1,576,071.20.

All work under these contracts has been completed. The subject amendments are required to document final payment for work conducted under these contracts. All additional expenditures are based upon the current terms, conditions and unit rates of the respective contracts noted in this report.

The commitments and payments being made in excess of the current contract limits were under the authority of the Purchasing By-Law, Section 195-10F, in order to maintain essential City services; and this report is in compliance with the requirement to report the contract variance to the Government Management Committee, as per Section 71.11.1.C, of the Financial Control By-Law.

New multi-vendor contracts for Tree Pruning & Removal (Type I and Type II) are now in place, as awarded by the Bid Committee on February 27, 2009.

CONTACT

Richard Ubbens,
Director
Urban Forestry
416-392-1894
rubbens@toronto.ca

John McNamara,
Manager, Purchasing &
Materials Management Division
416-392-7316
jmcnama@toronto.ca

SIGNATURE

Brenda Patterson,
General Manager
Parks, Forestry & Recreation

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