Amendment of Purchase Order 6033784 – Local Road Resurfacing, Toronto and East York District

Date: April 18, 2013
To: Public Works and Infrastructure Committee
From: General Manager, Transportation Services Division
Director, Purchasing and Materials Management Division
Wards: Wards 28, 29, 30, 31 and 32
Reference Number: P:\2013\Cluster B\TRA\Toronto and East York District\TOP\pw2013085te.top.doc

SUMMARY

The purpose of this report is to seek authority to amend Purchase Order (P.O.) 6033784 (Tender 159-2011) issued to Furfari Paving Co. Ltd. for Local Road Resurfacing to increase the total value of the P.O. to accommodate payment for additional road resurfacing work including the removal of asbestos-containing asphalt which was completed in 2012.

RECOMMENDATIONS

The General Manager of Transportation Services and the Director of Purchasing and Materials Management recommend that Public Works and Infrastructure Committee, in accordance with Section 71-11.1.C of the City of Toronto Municipal Code Chapter 71 (Financial Control), grant authority to:

1. Amend Purchase Order No. 6033784 to Furfari Paving Co. Ltd. for Local Road Resurfacing in Toronto East York District by an additional amount of $410,000.00 net of all taxes ($417,216.00 net of HST recoveries) revising the current total value of $3,472,285.41 to $3,882,285.41 net of all taxes ($3,950,613.63 net of HST recoveries).
Financial Impact

The P.O. Amendment for $410,000.00 net of all taxes ($417,216.00 net of HST recoveries) will increase the total value of PO 6033784 from $3,472,285.41 to $3,882,285.41 net of all taxes ($3,950,613.63 net of HST recoveries).

Funding is available in the approved 2013 Toronto Transportation Services capital budget in CTP 312-03-28 Local Road Resurfacing.

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

DECISION HISTORY

On August 3, 2011, the Bid Committee approved the recommendation for an award of Tender 159-2011, Contract No. 11TE-111TR to Furfari Paving Co. Ltd. for Local Road Resurfacing in Wards 28, 29, 30, 31 and 32 in the amount of $3,156,712.00 net of all taxes ($3,212,270.13 net of HST recoveries), being the lowest bidder meeting specifications. The following is the link to the Bid Committee approval:


ISSUE BACKGROUND

Subsequent to Bid Committee's approval, P.O. 6033784 was issued to Furfari Paving Co. Ltd. for Local Road Resurfacing in Wards 28, 29, 30, 31 and 32 in the Toronto and East York District in the amount of $3,156,712.00 net of all taxes. On February 6, 2012, the validity period was extended from December 31, 2011 to July 31, 2012 to complete existing work which was delayed due to adverse weather conditions. On July 25, 2012, a Purchase Order Amendment increased the total value of the P.O. by $315,573.41 net of all taxes and charges and was done under staff authority pursuant to the Financial Control By-law Chapter 71, section 71-11.1 to bring the new contract value to $3,472,285.41 net of all taxes to accommodate additional locations.

One of the streets on the list slated for local road resurfacing was scheduled for a short section resurfacing only. However, it was discovered that the adjacent sections were also in poor condition and contained asbestos asphalt. Since the contractor was already mobilized to the location and the work needed to be completed, the work was extended to include the remainder of the street. This additional work and asbestos removal increased the value of the contract. The cost to perform the additional work had been reviewed by Transportation Services staff and was found to be fair and reasonable and is in keeping with rates normally charged for this sort of work.
COMMENTS

An amendment to P.O. 6033784 is required in the amount of $410,000.00 net of all taxes and charges ($417,216.00 net of HST recoveries) to cover the cost of additional roadwork including asbestos abatement already completed. The total value of all amendments is $725,573.40 net of all taxes and charges and the revised total value of the P.O. is $3,882,285.41 net of all taxes ($3,950,613.63 net of HST recoveries). This payment to Furfari Paving Co. Ltd will be the final payment and no more work will be done under this contract.

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SIGNATURE

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