



## REPORT FOR ACTION

# Purchase Order Amendment to Increase the Value of Contract 47018672 with Sidcon Contracting Ltd. for Mechanical Litter Removal Services

**Date:** October 17, 2019

**To:** Infrastructure and Environment Committee

**From:** Chief Purchasing Officer, Purchasing and Materials Management and General Manager, Solid Waste Management Services

**Wards:** All

## SUMMARY

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The purpose of this report is to seek Infrastructure and Environment Committee approval to amend Blanket Contract 47018672 in the amount of \$1,400,000 excluding all applicable taxes increasing the target value to \$7,183,669 excluding all applicable taxes. The additional funding is required to address the over expenditure due to an underestimate in the overall contract value for the provision of "Winter Standby Hours" outlined in the RFQ but not reflected on the price form. The increase to the total contract target value is required to process the remainder of the invoices for sidewalk and laneway cleaning through the continuation of the 5 year contract ending December 31, 2019.

Contract 47018672 was awarded to Sidcon Contracting Ltd. as a result of RFQ 6033-14-3094 for the provision of mechanical litter removal from City sidewalks, gutters, sodded/hard surfaced boulevards, laneways, tree planters and from around the perimeter of bus shelters, litter receptacles and other street fixtures and other areas as instructed by the Contract Administrator for the City of Toronto's Solid Waste Management Services Division from January 1, 2015 to December 31, 2019, for the area defined as Area 1 the downtown core.

## RECOMMENDATIONS

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The General Manager, Solid Waste Management Services and the Chief Purchasing Officer, Purchasing and Materials Management recommend that:

1. The Infrastructure and Environment Committee, in accordance with Section 71-11.1.C of the City of Toronto Municipal Code Chapter 71 (Financial Control By-Law), grant authority to amend Blanket Contract No. 47018672 with Sidcon Contracting Ltd., for the provision of mechanical litter removal services by an additional amount of

\$1,400,000 excluding all applicable taxes, revising the current contract value from \$5,783,669 excluding all applicable taxes to \$7,183,669 excluding all applicable taxes.

## FINANCIAL IMPACT

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This Purchase Order Amendment requests an increase to the target value of the contract in the amount of \$1,400,000 excluding all applicable taxes (\$1,424,640 net of HST recoveries) resulting in a new target value of \$7,183,669 excluding all applicable taxes (\$7,310,101 Net of HST Recoveries). The over expenditure in prior years was recovered from unspent funds in the Solid Waste Management Services Approved Operating Budgets from 2014 to 2018. The required funds needed in 2019 to the end of the contract (December 31, 2019) are available in the 2019 Approved Solid Waste Management Services Operating Budget, under SW0718-4424, therefore no additional funding from the Waste Management Reserve Fund would be required.

The following chart shows the projected expenditures required to the end of the contract and the available budget to fund the expenditures:

Sidcon Expenditure Projections for the remainder of 2019:

	Sidcon Projected Expenditures (excl all taxes)	Sidcon Projected Expenditures (net of HST Recoveries)
October	\$147,222.72	\$ 149,813.84
November	\$142,473.60	\$ 144,981.14
December	\$ 54,670.14	\$ 55,632.33
	<b><u>\$344,366.46</u></b>	<b><u>\$ 350,427.31</u></b>
	Plan Budget	\$3,062,326.61
	Funds Available	\$ 564,356.60

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

## DECISION HISTORY

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Bid Committee, at its meeting of September 24, 2014, granted authority to award Request for Quotation No. 6033-14-3094 to Sidcon Contracting Limited for the Provision

of Mechanical Litter Removal, in accordance with the Contract Details set out in the report dated September 11, 2014. A link to the related Bid Committee decision is provided below:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2014.BD200.6>

## COMMENTS

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Request for Quotation No. 6033-14-3094 for Mechanical Litter Removal Services required all operators and equipment to be ready and available for services 12 months of the year including estimated winter months on standby pay. The price form originally included a line for estimated seasonal winter standby pay, but was revised twice during the addendum process and in the last revision the standby pay was not accounted for. As a result, the overall value of the contract was not properly calculated.

To maintain the increased demand for enhanced service levels for sidewalk and laneway cleaning in the downtown core, over the past four years SWMS has averaged 26,880 hours of regular service, 1,512 hours of winter standby pay and 4,032 hours of winter seasonal work, totalling 30,279 for contracted litter vac services. All hours are billed at the hourly rate outlined in the contract. In winter months, contract litter vac services are utilized in the downtown core when seasonal staffing levels drop off. Daily service needs are evaluated on a day to day basis. Service is cancelled and standby is paid when temperatures drop below (minus) -10 degrees Celsius. The winter standby pay and winter seasonal work over the last 4 years both paid and commitments to the contractor for the end of 2019 reflect the requested \$1.4 million amendment.

Blanket Contract 47018672 expires on December 31, 2019 and a new RFQ for Mechanical Litter Removal Services will be in place to start in January 2020. The estimated hours for regular seasonal work and estimated "winter standby" are included in the new RFQ's price schedule which reflects the full cost of the annual service in the target value of the new blanket contract.

## CONTACT

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## **SIGNATURE**

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Michael Pacholok  
Chief Purchasing Officer, Purchasing and Materials Management

Matt Keliher,  
General Manager, Solid Waste Management Services