

Award of Request for Tender Ariba Document Number 3850138283 to Viola Management Incorporated for the 2023 Local Roads Resurfacing Program for Engineering and Construction Services

Date: May 15, 2023

To: General Government Committee

From: Interim Chief Engineer and Executive Director, Engineering and Construction Services and the Chief Procurement Officer, Purchasing and Materials Management

Wards: 2 (Etobicoke Centre), 3 (Etobicoke-Lakeshore), 4 (Parkdale-High Park), 5 (York South-Weston), 6 (York Centre), 11 (University-Rosedale), 12 (Toronto-St. Paul's), 15 (Don Valley West), 17 (Don Valley North), 19 (Beaches-East York), 20 (Scarborough Southwest), 21 (Scarborough Centre), 22 (Scarborough-Agincourt), 23 (Scarborough North), 24 (Scarborough-Guildwood), and 25 (Scarborough-Rouge Park)

SUMMARY

This report provides the results of the Request for Tender Ariba Document Number 3850138283, Contract Number 23ECS-RD-15LR, to provide construction services for a portion of the Transportation Services 2023 Local Roads Resurfacing Program and to request authority to award the contract to Viola Management Incorporated, in the amount of \$28,168,691 net of all applicable taxes and charges (\$28,664,460 net of Harmonized Sales Tax recoveries). The scope of work includes milling and paving of roadway asphalt, as well as the removal and replacement of deficient concrete curbs and sidewalks to maintain a state of good repair. This work is planned to be completed in 2023.

RECOMMENDATIONS

The Interim Chief Engineer and Executive Director, Engineering and Construction Services, and the Chief Procurement Officer, Purchasing and Materials Management recommend that:

1. General Government Committee, in accordance with Section 195-8.4A of the Toronto Municipal Code Chapter 195 (Purchasing By-Law), grant authority to award Contract

Number 23ECS-RD-15LR, Ariba Document Number 3850138283, for the 2023 Local Road Resurfacing Program in the amount of \$28,168,691 net of all applicable taxes and charges (\$28,664,460 net of Harmonized Sales Tax recoveries) to Viola Management Incorporated, having submitted the lowest compliant bid and meeting the specifications in conformance with the Tender requirements.

FINANCIAL IMPACT

The total potential award identified in this report is \$28,168,691 net of all applicable taxes and charges, \$28,664,460 net of Harmonized Sales Tax recoveries, \$31,830,621 including all taxes and charges. The total cost to the City is \$28,664,460 net of Harmonized Sales Tax recoveries.

Funding is available in the 2023-2032 Approved Capital Budget and Plan for Transportation Services. Funding details are provided in Table 1 below:

Table 1: Projected Cash Flow for Contract Number 23ECS-RD-15LR

WBS Element Description	2023	2024	Total (Net of Harmonized Sales Tax Recoveries)
CTP315-07-541 (Local Road Rehabilitation)	\$16,379,692	\$10,919,794	\$27,299,486
CTP315-09-624 (Major State of Good Repair Pooled Contingency)	\$0	\$1,364,974	\$1,364,974
Totals	\$16,379,692	\$12,284,769	\$28,664,460

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

DECISION HISTORY

At its meeting of January 11, 2021, the Infrastructure and Environmental Committee authorized the Chief Engineer and Executive Director, Engineering and Construction Services to negotiate and enter into agreements with R.V. Anderson Associates Limited, being the highest overall scoring proponent meeting the requirements of Request for Proposal 20ECS-TI-01LR to provide contracted professional engineering services for a portion of the Transportation Services Local Road Resurfacing Program

(2021 to 2025) in the amount of \$28,331,737 without taxes, including disbursements. The Infrastructure and Environmental Committee decision can be found at: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.IE19.5>

COMMENTS

Background

The City's Local Road Resurfacing Program is part of the City's Capital Works Program included in the Transportation Services division's Capital Budget, with a focus on the state of good repair for various local roads in the city of Toronto. The Resurfacing Program includes numerous road segments per year that vary in length and may require the replacement of deficient sidewalks and curbs, repair of poor road base, and removal and resurfacing of road asphalt.

Typically, the annual Resurfacing Program is completed within one year. However, the entire 2022 program was deferred due to the unforeseen cancellation of all 2022 tenders in July 2022. The Resurfacing Program was retendered in December of 2022 resulting in all the construction work carrying over to 2023.

Due to the carry-over of the 2022 program, there is not sufficient capacity to deliver both 2022 and 2023 Resurfacing Programs, in their entirety, in 2023. As a result, the 2023 program, which includes 126 road segments in various wards across the city of Toronto, has been split into two parts under two separate contracts:

- Current Contract 1 includes 55 road segments and will be delivered in 2023, along with the entire deferred 2022 program.
- Future Contract 2 includes 71 road segments and is planned to be tendered in December 2023, for completion in 2024.

Contract 1 consists of 55 road segments located in Wards 2, 3, 4, 5, 6, 11, 12, 15, 17, 19, 20, 21, 22, 23, 24, and 25 to be delivered in 2023. Details of the road segments are identified by Ward in Attachment 1 to this report.

Procurement Process

Request for Tender, Ariba Document Number 3850138283 was issued to select the lowest qualified Supplier meeting specification and requirements of the solicitation for the 2023 Local Road Resurfacing Program for the Engineering and Construction Services division.

The Request for Tender, Ariba Document Number 3850138283, Contract Number 23ECS-RD-15LR was issued by the Purchasing and Materials Management Division and was advertised on both the City's and Ariba Discovery websites on February 3, 2023, with a closing date of February 23, 2023, and an issuance of two (2) Addenda. A total of three (3) suppliers submitted their fixed priced bid as listed in Table 2 below.

Table 2: Suppliers and Bid Prices for Request for Tender, Ariba Document Number 3850138283, Contract Number 23ECS-RD-15LR

Suppliers	Bid Price Excluding Harmonized Sales Tax and Contingency
Viola Management Incorporated	\$26,827,325.15
D Crupi & Sons	\$29,214,829.80
Four Seasons Sit Development Limited	\$32,844,621.40

*Pursuant to the Request for Tender document the contract award price includes contingency.

The submissions received from the three (3) bidders that responded to Request for Tender Ariba Document Number 3850138283, were reviewed, and evaluated by staff from Purchasing and Materials Management Division and Engineering and Construction Services Division. All three (3) were found to be in conformance with the Tender requirements. Recommended bidder for Contract Number 23ECS-RD-15LR is Viola Management Incorporated.

Engineering and Construction Services staff compared the bids to the engineering estimate of \$30,346,206 net of Harmonized Sales Tax recoveries. The bid price of the recommended bidder is in the amount of \$28,664,460 net of Harmonized Sales Tax recoveries is 5.54 percentage (5.54 percent) lower than the engineering estimate.

The Fair Wage Office has reported that the recommended Bidder has indicated they have reviewed and understand the Fair Wage Policy and Labour Trades requirements and the recommended Bidder has agreed to comply fully.

The Tender submission from Viola Management Inc, for Request for Tender Ariba Document Number 3850138283, Contract Number 23ECS-RD-15LR, includes their agreement to substantially complete the works by December 15, 2023.

CONTACT

Mobushar Pannu, Director, Design and Construction, Roadways, Engineering and Construction Services, Telephone: 416-392-8412, Email: Mobushar.Pannu@toronto.ca

Marie Reid, Manager, Purchasing Client Services, Infrastructure and Development Services, Purchasing and Material Management, Telephone: 416- 397-5187, Email: Marie.Reid@toronto.ca

SIGNATURE

Judy M. S. Tse, P. Eng.
Interim Chief Engineer and Executive Director, Engineering and Construction Services

Geneviève Sharkey,
Chief Procurement Officer, Purchasing and Materials Management

ATTACHMENTS

Attachment 1: 2023 Local Road Resurfacing Program - Road Segments by Ward
(Contract No. 23ECS-RD-15LR)