

Award of Doc4332801004 to Viola Management Incorporated for Local Roads Resurfacing for Engineering and Construction Services

Date: March 12, 2024

To: General Government Committee

From: Chief Engineer and Executive Director, Engineering and Construction Services and 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), 7 (Humber River-Black Creek), 8 (Eglinton-Lawrence), 9 (Davenport), 11 (University-Rosedale), 12 (Toronto-St. Paul's), 15 (Don Valley West), 19 (Beaches-East York), 22 (Scarborough-Agincourt)

SUMMARY

The purpose of this report is to advise of the results of the Request for Tender Doc4332801004, Contract Number 23ECS-RD-13LR, for the Local Roads Resurfacing in Wards 2, 3, 4, 5, 6, 7, 8, 9, 11, 12, 15, 19 and 22 and to request the authority to award the contract to Viola Management Incorporated, in the amount of \$23,588,613 net of all applicable taxes and charges (\$24,003,773 net of Harmonized Sales Tax recoveries), all in accordance with the terms, conditions, and specifications contained in the Request for Tender documents. The construction for this project is expected to commence on date of award and be completed by December 13, 2024.

This tender award is for the second half of the 2023 program. In 2022, the Local Roads Resurfacing contracts were cancelled and a revised delivery plan was developed to align with constraints within the construction industry and City delivery resources. The revised plan included executing all of the projects originally slated for 2022, alongside the first half of the 2023 program within the year 2023 and 2024. This current award facilitates the completion of the remaining segment of the 2023 program plan this year.

RECOMMENDATIONS

The 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 195-8.4 of the Toronto Municipal Code Chapter 195 Purchasing By-Law, grant authority to award Request for Tender Doc4332801004, Contract Number 23ECS-RD-13LR for the Local Roads Resurfacing in Wards 2, 3, 4, 5, 6, 7, 8, 9, 11, 12, 15, 19 and 22 and enter into an agreement with Viola Management Incorporated, being the lowest bid meeting the specifications and requirements of the Request for Tender Doc4332801004, Contract Number 23ECS-RD-13LR, in the amount of \$23,588,613 net of all applicable taxes and charges (\$24,003,773 net of Harmonized Sales Tax recoveries).

FINANCIAL IMPACT

The total potential contract award identified in this report is \$23,588,613 net of all applicable taxes and charges. The total potential cost to the City is \$24,003,773 net of Harmonized Sales Tax recoveries.

Funding is available in the 2024 Approved Capital Budget and 2025-2033 Approved Capital Plan for Transportation Services. Additional funding details are provided in Table 1 to follow:

Table 1: Financial Impact

WBS Element/ Cost Element	2024	2025	Total (Net of HST Recoveries)
CTP315-07-585	\$17,457,289	\$4,364,323	\$21,821,612
CTP315-09-704	\$0	\$2,182,161	\$2,182,161
Total (Net of HST recoveries in CAD \$)	\$17,457,289	\$6,546,484	\$24,003,773

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>

The Request for Tender Doc4332801004, Contract Number 23ECS-RD-13LR was prepared under professional engineering services assignment Request for Proposal Doc2604028867, contract Number Request for Proposal 20ECS-TI-01LR, by R.V. Anderson Associates Limited in collaboration with City staff. Under this Request for Proposal Doc2604028867, Contract Number Request for Proposal 20ECS-TI-01LR, R.V. Anderson Associates Limited will provide contract administration services during the construction services included under Request for Tender Doc4332801004 Contract Number 23ECS-RD-13LR. The Award of Tender Ariba Document Number 3740576765 for the 2022 Local Roads Resurfacing Program and the Award of Tender Ariba Document Number 3850138283 for the first portion of the 2023 Local Roads Resurfacing Program can be found at: <https://www.toronto.ca/legdocs/mmis/2023/gg/bqrd/backgroundfile-230803.pdf>); <https://www.toronto.ca/legdocs/mmis/2023/gg/bqrd/backgroundfile-236580.pdf>

COMMENTS

Background

The City's Local Road Resurfacing program is part of the City's Capital Works Program included in 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 Local Road Resurfacing program includes numerous road segments per year that vary in length and may require the replacement of deficient sidewalk and curb, repair of poor road base, and removal and resurfacing of road asphalt.

The 2023 Local Road Resurfacing program includes a total of 123 road segments in various wards across the City of Toronto. Due to the need to retender and deliver the 2022 Local Roads Resurfacing program in 2023, under Request for Tender Doc3740576765, Contract Number 22ECS-TI-13LR, which was awarded at the January 20, 2023, General Government Committee, only half of the 2023 Local Road Resurfacing program was planned to be delivered in 2023 under Contract Number 23ECS-RD-15LR, due to constraints within the construction industry, City delivery

resources, and City funding. The delivery of the second half of the 2023 Local Road Resurfacing program was planned in 2024 under this new separate Contract Number 23ECS-RD-13LR.

The City awarded Request for tender Doc3850138283, Contract Number 23ECS-RD-15LR, for the first part of the 2023 Local Roads Resurfacing Program at the May 30th, 2023, General Government Committee. Contract Number 23ECS-RD-15LR comprises of 55 road segments valued at \$28,664,460 net of Harmonized Sales Tax recoveries located in Wards 2, 3, 4, 5, 6, 11, 12, 15, 17, 19, 20, 21, 22, 23, 24, and 25.

Request for Tender Doc4332801004, Contract Number 23ECS-RD-13LR comprises the remainder of the 123 segments planned for the 2023 program year. Contract Number 23ECS-RD-13LR consisting of 68 road segments located in Wards 2, 3, 4, 5, 6, 7, 8, 9, 11, 12, 15, 19, and 22, was tendered and closed on January 16, 2024. Details of the road segments to be delivered under Contract Number 23ECS-RD-13LR are identified by Ward in Attachment 1 to this report.

Procurement Process

Request for Tender Doc 4332801004, Contract Number 23ECS-RD-13LR was issued to select the lowest qualified Supplier meeting specifications and requirements of the solicitation for the 2023 Local Road Resurfacing program for the Engineering and Construction Services Division.

The Request for Tender Doc4332801004, Contract Number 23ECS-RD-13LR was issued by Purchasing and Materials Management Division and was advertised on both the City's and Ariba Discovery websites on December 14, 2023, with a closing date of January 16, 2024, and an issuance of four (4) Addenda. A total of four (4) Suppliers submitted their bid as listed in Table 2 below.

Table 2: Summary of Bids received including bid price

Supplier Name	Bid Price (excluding H.S.T.)
Viola Management Incorporated	\$21,444,193.95*
D. Crupi and Sons Limited	\$21,990,940.20
Four Seasons Site Development Ltd.	\$25,065,939.50
Fermar Paving Limited	\$35,572,941.88

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

The submissions received from the four (4) Suppliers that responded to Request for Tender Doc4332801004 Contract Number 23ECS-RD-13LR, were reviewed, and

evaluated by staff from Purchasing and Materials Management Division and Engineering and Construction Services. All four (4) Suppliers were found to be in conformance with the Request for Tender requirements. The recommended Supplier for Contract Number 23ECS-RD-13LR is Viola Management Incorporated.

Engineering and Construction Services staff compared the bids to the engineering estimate of \$25,839,441 net of Harmonized Sales Tax recoveries. The bid price of the recommended Supplier is in the amount of \$24,003,773 net of HST recoveries is 7.65 percent (7.65%) lower than the engineering estimate.

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

The Tender submission from Viola Management Incorporated, for Request for Tender Doc4332801004, Contract Number 23ECS-RD-13LR, includes their agreement to substantially complete the work by December 13, 2024.

CONTACT

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SIGNATURE

Jennifer Graham Harkness
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-13LR)

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