



Report
Staff Report
The Corporation of the City of Brampton
4/24/2024

Date: 2024-04-12

Subject: **Budget Amendment and Award Strategy for NRFP 2024-091 Winter Maintenance Services 2024 to 2034 – All Wards**

Contact: Sam Mattina, Manager, Contracts, Operations Planning and Projects, Road Maintenance, Operations and Fleet

Report number: Public Works & Engineering-2024-373

RECOMMENDATIONS:

1. That the report from Sam Mattina, Manager, Contracts, Operations Planning and Projects, Road Maintenance, Operations and Fleet to the Committee of Council Meeting of April 24, 2024, re: **Budget Amendment and Award Strategy for NRFP 2024-091 Winter Maintenance Services 2024 to 2034 – All Wards**, be received;
2. That Council provide direction on the following options regarding the term for the Winter Maintenance Service Contract:
 - a) Six (6) year term, with two (2) two-year renewal options, for a possible maximum term total of ten years (annual cost of \$20,870,030.00);
 - b) Eight (8) year term, with one (1) two-year renewal option, for a possible maximum term total of ten years (annual cost of \$20,091,332.63);
 - c) Ten (10) year term, with no renewal options (annual cost of \$19,990,433.64).
3. That Council provide direction on the following options regarding the Provisional Services of city-wide sidewalk clearing and windrow removal:
 - a) No provisional sidewalk clearing services or windrow removal services;
 - b) Addition of sidewalk clearing provisional services but not windrow removal services:
 - i. 6-year annual cost of \$2,006,032.50 per year
 - ii. 8-year annual cost of \$2,006,032.50 per year
 - iii. 10-year annual cost of \$1,948,257.00 per year
 - c) Addition of windrow removal provisional services but not additional sidewalk clearing services:
 - i. 6-year annual cost of \$9,564,460.42 per year
 - ii. 8-year annual cost of \$8,943,666.84 per year
 - iii. 10-year annual cost of \$8,943,666.84 per year

- d) Addition of both provisional services:
- i. 6-year annual cost of \$11,570,492.92 per year
 - ii. 8-year annual cost of \$10,949,699.34 per year
 - iii. 10-year annual cost of \$10,891,923.84 per year
4. That a budget amendment for project #233040-001 in the amount of \$670,000 be approved for a one-time cost of removal and reinstalment of GPS/AVL and two-way radio hardware to implement the new winter contract from the return surplus capital funds totaling \$670,000 from project #222810-002 – Heritage Road Yard, and funding of \$670,000 to be transferred from Reserve #4 Asset Repair & Replacement which will result in a total available budget of \$720,000.

OVERVIEW:

- **The current winter maintenance contract is in its final contract year and expires at the end of May 2024.**
- **Staff received Council direction and authorization to commence procurement for winter maintenance services for a ten-year period, 2024 to 2034.**
- **A Request for Proposal (NRFP 2024-091) was issued and closed on March 19, 2024.**
- **Three Contract Term Options were included as follows:**
 - **Scenario #1; Six (6) year term, with two (2) two-year renewal options, for a possible maximum term total of ten years**
 - **Scenario #2; Eight (8) year term, with one (1) two-year renewal option, for a possible maximum term total of ten years**
 - **Scenario #3; Ten (10) year term, with no renewal options.**
- **Each of the three Term Options includes Provisional Services of City Wide Sidewalk Plowing and Driveway Windrow Clearing on Local Roads**
- **The new contract is anticipated to be awarded by May 2024 to allow sufficient time for the procurement of equipment by the successful contractors for the start of the contract in November 2024.**
- **A budget amendment is required to increase capital project # 233040-001- AVL/GPS Solutions for one time cost of removal and reinstalment of GPS/AVL and two-way radio hardware in the amount of \$670,000.**

BACKGROUND:

The current winter maintenance service contract was awarded for a seven-year period and expires in May 2024. The contract provides winter services to keep the roads, sidewalks, transit stops, Recreational Trails, and school crossings safe and passable in winter. Most of these requirements are legislated by the Province of Ontario's Minimum Maintenance Standards for Municipal Highways, O. Reg. 239/02.

Staff prepared a report to proceed with the procurement of a new winter maintenance services contract for the November 29, 2023, Committee of Council meeting. The report was referred to a Council workshop for further discussion and input from Council. At the Council workshop on January 10, 2024, Council discussed additional services and options, such as City-wide sidewalk clearing, driveway windrow removal, contract administration, and expanding service levels.

At the Council meeting on January 24, 2024, Council directed staff to provide additional information for consideration and referred the report to February 2024.

In compliance with that council request, the City hosted a telephone town hall on January 31, 2024, to obtain public opinion on potential service expansions relating to city wide sidewalk plowing and driveway windrow clearing on local roads.

At the February 7, 2024, City Council meeting, Council approved the request to begin procurement for winter maintenance services, authorizing the Purchasing Agent to begin procurement.

The Contractor selection process is to include reference checks, and declarations by contractors with respect to the age and condition of vehicles to be use.

CURRENT SITUATION:

In compliance with the February 7, 2024 Council Resolutions, Staff issued a NRFP 2024-091 for Winter Maintenance Services Winter Maintenance Services 2024 to 2034 period from 2024 to 2034. NRFP 2024-091 closed on March 19, 2024.

The City has tendered to secure contractors for three proposed contract term options as follows:

- **Scenario #1;**
 - Six (6) year term with a two (2) year renewal option, plus a second two (2) year renewal option, for a possible maximum term of ten (10) years.

- **Scenario #2;**
 - Eight (8) year term with a two (2) year renewal option, for a possible maximum term of ten (10) years.
- **Scenario #3;**
 - Ten (10) year term with no renewal options.

The new contract has been designed to maintain the current winter maintenance services being delivered and includes considerations related to Active Transportation infrastructure, such as bike lanes and the expansion of sidewalk plowing to include the frontage of all city schools.

Additionally, the new contract includes improvements to deployment strategies intended to mitigate the development of windrows on local residential roads and Provisional Expansion Services for the following;

1. Driveway Windrow Clearing on local roads
2. City-wide sidewalk plowing

As part of the RFP process, Staff performed a pre-qualification exercise with the evaluation of Proposals submitted by each Bidder, including reference checks and compliance to the equipment age guidelines set out in the procurement document. The pre-qualified Bidders' pricing submissions were then opened and assessed based on the lowest-priced Proposals in accordance with the award strategy set out in the procurement document.

The table below reflects the costs for services for each of the scenario terms and annual costs based on the submitted pricing and contract award strategy.

	Scenario 1 6 Year Term	Scenario 2 8 Year Term	Scenario 3 10 Year Term
Total Price for Current Services	\$125,220,179.97 <i>(\$20,870,030.00 per year)</i>	\$160,730,661.12 <i>(\$20,091,332.63 per year)</i>	\$199,904,336.40 <i>(\$19,990,433.64 per year)</i>
Provisional – Driveway Windrow Removal	\$57,386,762.55 <i>(\$9,564,460.42 per year)</i>	\$71,549,334.72 <i>(\$8,943,666.84 per year)</i>	\$89,436,668.40 <i>(\$8,943,666.84 per year)</i>
Provisional - City Wide Sidewalk Plowing	\$12,036,195.00 <i>(\$2,006,032.50</i>	\$16,048,260.00	\$19,482,570.00

	<i>per year)</i>	<i>(\$2,006,032.50 per year)</i>	<i>(\$1,948,257.00 per year)</i>
GRAND TOTAL for each Term (including Provisional Services)	\$194,643,137.52 <i>(\$32,440,522.91 per year)</i>	\$248,328,255.84 <i>(\$31,041,031.97 per year)</i>	\$308,823,574.80 <i>(\$30,882,357.48 per year)</i>

CORPORATE IMPLICATIONS:

Financial Implications:

The recommendations in this report have financial implications for the operating and capital budgets.

Capital Budget:

The recommendations in this report require capital investments and will result in a net zero capital budget impact as the additional required funding will be offset by the return of surplus capital funds totaling \$670,000 from project #222810-002 – Heritage Road Yard to Reserve #4 Asset Repair & Replacement.

A budget amendment is required to increase capital project # 233040-001-AVL/GPS Solutions for one time cost of removal and reinstalment of GPS/AVL and two-way radio hardware in the amount of \$670,000 to implement the new winter contract, with funding of \$670,000 to be transferred from Reserve #4 Asset Repair & Replacement which will result in a total available budget of \$720,000.

Funding Source	Approved Funding	Budget Amendment	Total Funding
Project 233040-001-AVL - GPS Solution			
Reserve #4-Asset R&R	50,000	670,000	720,000
Sub-Total	50,000	670,000	720,000
Project 222810-002- Heritage Road Yard			
Reserve #4-Asset R&R	1,643,080	-670,000	973,080
Reserve #110	147,818		147,818
Contribution from Reserve #136	300,989		300,989
Sub-Total	2,091,887	-670,000	1,421,887

Operating Budget:

Funding for the winter maintenance contract exists within the Public Works and Engineering approved 2024 Operating Budget, which was developed for the existing contract to maintain the current service levels. Consequently, the 2024 approved budget does not include provisions for the new contract and provisional expansion services indicated in this report, should they be adopted.

The financial impact will be dependent on the option that staff is directed to proceed with. However, in 2024, operating costs impact will be partial, covering only two months of winter operations (November to December) under the new contract. Estimates suggest a range from \$2.9 million for maintaining current services to \$6.6 million, including the provisional expansion services of windrow clearing and sidewalk plowing. Staff have committed to diligent efforts in mitigating the increase in winter costs and will provide periodic operating forecasts to keep council informed.

Furthermore, if Council approves the award of this contract with or without provisional expansion services mentioned in this report, the 2025 and subsequent year Operating Budgets will also need to be increased accordingly.

Should council approve the provisional expansion services, additional funding of up to 30% of the cost of these services will be required to cover administrative expenses.

The table below provides a summarized breakdown of the additional funding required and the corresponding tax levy impact for the new contract and provisional expansion services, including Driveway Windrow Clearing and Sidewalk Plowing, under each option:

Table [A]- New Contract vs Approved Budget	[\$]			
	Scenario 1	Scenario 2	Scenario 3	2024 Approved
New Winter Services Contract	6 Year Term	8 Year Term	10 Year Term	Budget
Existing Services	20,870,030	20,091,333	19,990,434	13,021,077
Provisional Expansion Services				
Driveway Windrow removal	9,564,460	8,943,667	8,943,667	-
Sidewalk Plowing	2,006,033	2,006,033	1,948,257	-
Total Costs	32,440,523	31,041,032	30,882,357	13,021,077

Table [B]- Additional Annual Funding Required and Property Tax Impact

Additional Funding Required	Additional Funding Required			Property Tax Impact		
	Scenario 1	Scenario 2	Scenario 3	Scenario 1	Scenario 2	Scenario 3
New Winter Services Contract	6 Year Term	8 Year Term	10 Year Term	6 Year Term	8 Year Term	10 Year Term
Existing Services	7,848,953	7,070,256	6,969,357	0.60%	0.54%	0.53%
Provisional Expansion Services						
Driveway Windrow removal	9,564,460	8,943,667	8,943,667	0.73%	0.68%	0.68%
Sidewalk Plowing	2,006,033	2,006,033	1,948,257	0.15%	0.15%	0.15%
Total Costs	\$ 19,419,446	\$ 18,019,955	\$ 17,861,280	1.48%	1.37%	1.36%
Administration Costs (30%)	Scenario 1	Scenario 2	Scenario 3	Scenario 1	Scenario 2	Scenario 3
Driveway Windrow removal	2,869,338	2,683,100	2,683,100	0.22%	0.20%	0.20%
Sidewalk Plowing	601,810	601,810	584,477	0.05%	0.05%	0.04%
	3,471,148	3,284,910	3,267,577	0.26%	0.25%	0.25%
Total Impact	\$ 22,890,594	\$ 21,304,865	\$ 21,128,858	1.74%	1.62%	1.61%

Staff have also indicated that a review of the Snow Removal Financial Assistance program may be required if both provisional expansion services (Driveway Windrow Clearing and Sidewalk Plowing) are implemented. There may be potential savings in this program.

Purchasing Implications

Aside from making a decision on the recommendations as outlined in this Staff Report, because this is an active procurement section 3.1 of the Purchasing By-law, as noted below, otherwise applies and provides that Council shall have no involvement in specific procurements until a contract has been entered into.

3.1 In keeping with municipal procurement best practices, the Mayor and Members of Council shall have no involvement in specific Procurements, including not seeing any related documents or receiving any related information from the time those Procurements have been advertised or solicited until the Contract has been entered into.

Upon Council approval of the recommendations, purchase approval shall be obtained in accordance with the Purchasing By-law.

All communication with bidders involved in the procurement must occur formally, through the contact person identified in the procurement document.

STRATEGIC FOCUS AREA:

The new contract for winter maintenance services supports the City's Transit and Connectivity by ensuring Roads, Sidewalks, Transit Stops and Recreation Trails are safe and passable for Brampton residents during the winter months.

CONCLUSION:

This report provides options for Council’s consideration and decision for staff to proceed with the contract award of NRFP 2024-091 for Winter Maintenance Services.

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