

January 11, 2016

To: The Board of Governors of Exhibition Place

ACTION REQUIRED

From: Dianne Young
Chief Executive Officer

Subject: **Agreement for Sewer and Watermain Contractor Services**

Summary:

This report recommends that the Board enter into agreement with R. Galati Contracting Ltd. (Galati), for the non-exclusive supply of sewer and water main contractor services and related works to Exhibition Place from date of award to December 31, 2016.

A Request for Quotation (RFQ) process was issued through the City of Toronto, Finance Department, Purchasing and Material Management Division (PMMD) for the nonexclusive provision of sewer and watermain contractor services and related services to Exhibition Place.

Recommendation:

It is recommended that the Board approve an agreement with R. Galati Contracting Ltd. for the non-exclusive supply of sewer and water main contractor services and related works for a period of one (1) year, with the option to extend for an additional three (3) separate one (1) year periods, on the terms and conditions outlined in this report and other such terms and conditions satisfactory to the CEO and the City Solicitor.

Financial Impact:

The projected annual expenditure for sewer and watermain contractor services and related services is \$90,171.58, and is provided for in the 2016 Operating Budget and will be provided for in the 2017, 2018, and 2019 Operating Budgets.

Decision History:

The Exhibition Place 2014 to 2016 Strategic Plan had a Financial Goal to *effectively monitor costs and revenues* and as a strategy to support this Goal *we will seek review and revise financial and organizational systems to strengthen controls and process.*

At its meeting of December 16, 2011, the Board entered into a service agreement with R. Galati Contracting Ltd. for the provision of sewer and watermain contractor services, and related services, commencing January 1, 2012 and expiring December 31, 2015.

<http://www.explace.on.ca/database/rte/files/Sewer%20Watermain%20Contractor.pdf>

Issue Background:

On November 10, 2015, Exhibition Place through the services of PMMD issued a Request for Quotation to establish a new agreement for the provision Sewer and Watermain Services for Exhibition Place, commencing date of award.

Comments:

The RFQ specified the Board's requirements and service expectations and was accordingly structured in a manner that required bidders to list hourly rates for various personnel and equipment that could be used in carrying out not only repairs to sewers and watermains, but other related general contractor related work, as well as percentage mark-ups over invoice cost for all materials used. For comparison purposes, the hourly rates quoted were applied to projected annual requirements resulting in Total Lump Sum Prices. Firm prices were quoted for the first year with percentage increases for each of the three option years.

The RFQ closed on November 25, 2015 with three quotations received. The results inclusive of HST and payment discounts were as follows:

Bidder	Date of award to December 31, 2016	Percentage Increase Optional Year 1	Percentage Increase Optional Year 2	Percentage Increase Optional Year 3
R. Galati Contracting Ltd.	\$90,171.58	1%	2%	3%
FDM Contracting Co. Ltd.	\$200,655.00	5%	5%	7.5%
DIG-CON International Ltd.	\$214,415.00	10%	10%	10%

The Galati quotation is the overall lowest acceptable bid received in compliance with all requirements.

Staff report favourably on Galati's past performance at Exhibition Place. The City of Toronto Fair Wage and Labour Trades Office confirms that Galati is in compliance with the Fair Wage and Labour Trades requirements for this work

Galati is based in Toronto, Ontario and has carried on business in underground services since 1948. References include City of Toronto Properties, City of Toronto Parks Department and Toronto Catholic School Board.

Staff are recommending the approval of an agreement with Galati on the following terms and conditions:

- (a) Term: One year commencing on date of award to December 31, 2016, on an as required basis, with the option to extend for three additional one-year periods subject to satisfactory performance review and budget availability.
- (b) Pricing: Pricing is to be fixed during the term of the Agreement in accordance with the terms of the RFQ.
- (c) Assignment: The agreement shall not be assigned by Galati without written consent of the Board.
- (d) Indemnity/Insurance: Galati shall provide proof of insurance in a form and amount satisfactory to the Board and containing provisions including the Board and the City of Toronto as additional insured with a cross liability/severability of interest clause of standard wording.
- (e) Union Obligations: Galati shall comply with all trade union/association agreements affecting work done on the grounds.

- (f) Other Commercial Terms: The agreement shall include other standard commercial terms respecting termination and other matters in a form satisfactory to the City Solicitor and the CEO.

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