

## EXHIBITION PLACE

November 15, 2002

To: The Board of Governors of Exhibition Place

From: Dianne Young  
General Manager & CEO

Subject: Agreement for Sewer & Watermain Contractor Services

### Recommendation:

It is recommended that the Board enter into a agreement with R. Galati Contracting Ltd. ("Galati") for provision of sewer and watermain contractor services for the period of one (1) year from January 1, 2003 to December 31, 2003, with the option to extend for two additional one-year periods, including such terms and conditions as contained in the request for quotation or as required by the General Manager & CEO and City Solicitor.

### Background:

In November 1999, a request for quotation (RFQ) was awarded to a third party sewer and watermain contractor to provide all labour, materials and equipment necessary to carry out repairs to sewers and watermains for a three-year term from January 1, 2000 to December 31, 2002.

### Discussion:

On October 11, 2002, the Board, through the Purchasing and Materials Management Division of the City of Toronto's Finance Department, issued a Request for Quotation for the services of a sewer and watermain contractor. The RFQ was structured in a manner that required bidders to list hourly rates for various personnel and equipment that could be used in carrying out repairs as well as percentage mark-ups over invoice cost for all materials used. Firm prices were quoted for each of the three years. Forty-two firms were invited to bid.

The RFQ closed on October 28, 2002, and four quotations were received from the following bidders: Civil Underground & Excavation Co. Ltd., Dig-Con International Ltd., FTD Construction Inc. and R. Galati Contracting Ltd.

For comparison purposes to evaluate the bids staff computed the cost to carry out a repair by applying four hours of regular time and one hour premium time to all labour rates quoted, \$100.00 worth of material with the percentage mark-up and one hour rental of each piece of equipment listed in the equipment schedule.

The results were as follows:

|   | 2003       | 2004       | 2005       |
|---|------------|------------|------------|
| R. Galati Contracting Ltd.              | \$1,569.00 | \$1,641.90 | \$1,708.30 |
| Civil Underground & Excavation Co. Ltd. | \$1,959.00 | \$2,127.00 | \$2,356.00 |
| FTD Construction Inc.                   | \$2,984.00 | \$3,164.50 | \$3,338.50 |
| Dig-Con International Ltd.              | \$3,328.51 | \$3,374.77 | \$3,399.09 |

The proposed terms and conditions of the service agreement with the Board are as follows:

- (a) Term: one year commencing January 1, 2003 and expiring December 31, 2003, with the option to extend for two additional one-year periods subject to assessment of performance by the Board's operational staff.
- (b) Fees will be paid by the Board as set out under the terms and conditions contained in the request for quotations
- (c) Union Agreements: Galati shall comply with all agreements in force between and Board and any union or association with respect to Exhibition Place
- (d) Assignment: The agreement between the Board and Galati shall not be assigned by Galati without the consent of the Board
- (e) Insurance/Indemnity: Galati shall provide proof of insurance in a form and amount satisfactory to the Board and containing provisions including the Board, CNEA, O&Y/SMG Canada and the City of Toronto as additional insured with a cross liability/severability of interest clause of standard wording. Insurance shall be primary before any insurance held by the additional insured and the Board shall be entitled to thirty days notice of any intention to cancel or not to renew the policy. Galati shall indemnify the Board, the CNEA, O&Y-SMG Canada and the City of Toronto with respect to any and all liability arising from any damage or injury as a result of the negligent acts or omissions of Galati, or its employees or any other person for whom it is in law responsible, in the supply and quality of the equipment
- (f) Other Terms: Such terms and conditions as contained in the Request for Quotations or as required by the General Manager & CEO and the City Solicitor.

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

Conclusion:

This report recommends that the Board enter into agreement with R. Galati Contracting Ltd. for provision of underground sewer and watermain repair services in accordance with this report, the

terms of the RFQ and such other terms and conditions required by the General Manager & CEO and City Solicitor.

Contact

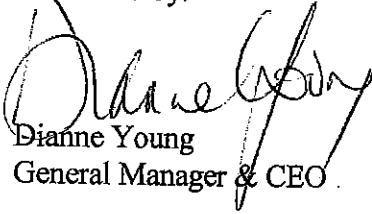
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Submitted by:



Dianne Young  
General Manager & CEO

