



REPORT

TO: Mayor Lawlor and Members of Council

FROM: Matt Roj, Traffic Coordinator

DATE: June 19, 2024

REPORT NO.: TPW-2024-011

SUBJECT: Award of Tender – Pavement Markings Program

RECOMMENDATION:

THAT Report No. TPW-2024-011, dated June 19, 2024, regarding the Award of Tender – Pavement Markings Program, be received;

AND FURTHER THAT Guild Electric Limited, be awarded a contract for Pavement Markings Program through combined buying power with the Halton Co-operative Purchasing Group (HCPG);

AND FURTHER THAT the Manager of Purchasing be authorized to issue a purchase order in the amount of \$456,653.33 plus applicable taxes for the initial one-year contract term, with the option to renew the contract for four (4) additional one-year periods, subject to satisfactory performance budget approval and price negotiations;

AND FURTHER THAT the budget requirements for the Pavement Markings Program be referred to Budget Committee for consideration with the 2025 operating budget.

KEY POINTS:

The following are key points for consideration with respect to this report:

- Purchasing Policy (PLCY-2022-0003), Section 11 allows the Town to join or participate with other government agencies and co-operative buying groups.
- Purchasing Policy (PLCY-2022-0003), Section 12, requires awards for Requests for Tenders over \$1 Million dollars including optional contract renewals be authorized by Council.
- The estimated cost of retracing water-based pavement markings is \$414,179.70 (including non-refundable HST) that includes paint truck works and hand machine works costs in the tender.

- The approved pavement markings operating budget for contracted services in 2024 is \$368,000.00.
- The estimated funding shortfall in the operating budget to award the project is \$46,179.70 (associated with the retracing program). Based on the time of award and seasonal limitations, the scope of the 2024 retracing program will be adjusted to work within the approved budget for 2024.
- The remaining work, using durable paint (cold plastic or thermoplastic), will be funded through various operating and capital project accounts.
- Future budget requirements to address the cost escalations for the Pavement Markings Program to maintain the existing Level of Service will be referred to Budget Committee for consideration as part of the 2025 operating budget.

BACKGROUND AND DISCUSSION:

The Town of Milton, on behalf of the Halton Co-Operative Purchasing Group (HCPG) issued a request for tender for the Pavement Markings Program. The HCPG is comprised of the four Halton local municipalities (Burlington, Halton Hills, Milton and Oakville), Halton Region, Halton Regional Police Service, Conservation Halton, Burlington Hydro Inc., Milton Hydro, Oakville Hydro Inc., and Burlington Public Library. The Towns of Milton and Halton Hills participated in this tender.

The Tender for Pavement Markings Program on Behalf of the HCPG was issued April 18, 2024, and closed June 10, 2024. Four (4) plan takers downloaded the document with one (1) submission received from Guild Electric Limited. Halton Hills’ portion of the bid amount is \$456,653.33 (excluding HST).

| Vendor Name | Location | Bid Amount* (HST excluded) | Bid Amount (Including Non-Refundable HST) |
|------------------------|-----------------|-----------------------------------|--|
| Guild Electric Limited | Toronto | \$456,653.33 | \$464,690.43 |

The Pavement Markings Program includes retracing the existing pavement markings using water-based paint and the application of new pavement markings using durable paint.

The cost for the retracing portion of the Pavement Markings Program is \$414,179.70 which will be funded by the \$368,000.00 Pavement Markings Program’s operating budget. This results in an estimated operating budget shortfall for tender award of \$46,179.70 in 2024. Based on the time of award, seasonal and budget limitations, the scope of the 2024 retracing program will be adjusted to work within the approved operating budget for 2024.

The remaining works for the overall Pavement Markings Program is undertaken using durable paint applications and includes new pavement markings such as “Ladder Style” crosswalks, Pedestrian Crossovers crosswalks, bike symbols and miscellaneous projects. The estimated cost for this work is \$50,510.73 and is funded through various approved capital projects.

Staff recommends a Purchase Order be issued for the 2024 Pavement Markings program in the amount of \$456,653.33 plus applicable taxes to complete the existing retracing program and additional work.

STRATEGIC PLAN ALIGNMENT:

This report is administrative in nature and does not have an impact on the Town’s Strategic Plan.

RELATIONSHIP TO CLIMATE CHANGE:

This report is administrative in nature and does not directly impact or address climate change and the Town's Net Zero target.

PUBLIC ENGAGEMENT:

Public Engagement was not needed as this report is administrative in nature.

INTERNAL CONSULTATION:

Finance and Purchasing were consulted and provided input in this report.

FINANCIAL IMPLICATIONS:

This report has the potential to require funding in a future budget year and therefore needs to be referred to budget committee for tracking purposes.

The 2024 Pavement Markings Program totals \$464,690.43 (\$456,653.33 plus \$8,037.10 non-recoverable HST) and is allocated as follows:

Estimated expenses for pavement marking program

| | | |
|-------------------------------|-----------------|------------|
| Item A- Paint Truck Works | 379,087.38 | |
| Item B- Hand Machine Works | 27,928.83 | |
| Non-recoverable taxes (1.76%) | <u>7,163.49</u> | |
| Total operating expenses | | 414,179.70 |

Estimated expenses for other pavement markings

| | | |
|--|---------------|-----------|
| Item C - Pavement Marking Line Removal Works | 5,027.50 | |
| Item D - Other Works | 44,609.62 | |
| Non-recoverable taxes (1.76%) | <u>873.61</u> | |
| Total capital expenses | | 50,510.73 |

| | |
|---|-------------------|
| Bid amount (including non-recoverable taxes) | 464,690.43 |
|---|-------------------|

The Pavement Markings retracing program has operating costs of \$414,179.70 which will be funded by the approved \$368,000.00 Pavement Markings Program's operating budget. This results in an estimated operating budget shortfall of \$46,179.70 for 2024. In accordance with Purchasing requirements, the award must be for the bid amounts as submitted. As noted above, the scope of the 2024 retracing program will be adjusted to work within the approved budget for 2024 and a shortfall is not anticipated.

In the event a shortfall is incurred, it will be funded from the year end corporate surplus, or the Director of Finance and Town Treasurer will identify an appropriate funding source at the time of reporting the 2024 operating results.

Future budget requirements to address the cost escalations for pavement marking maintenance activities to maintain the existing Level of Service will be referred to Budget Committee for consideration as part of the 2025 operating budget.

The remaining purchase order of \$50,510.73 for other pavement markings can be fully funded as required within the following approved budgets:

- 6541-00-3000 Enhanced Pedestrian Crosswalks (Operating)
- 6100-23-2401 Active Transportation Improvements (Capital)
- 6100-28-1703 Pedestrian Crossovers (Capital)
- 6100-28-1802 Mandated Rail Crossing Upgrade (Capital)

Reviewed and approved by,

Maureen Van Ravens, Director of Transportation

Bethany Yew, Manager of Purchasing

Moya Jane Leighton, Director of Finance & Town Treasurer

Bill Andrews, Commissioner of Transportation & Public Works

Chris Mills, Chief Administrative Officer