

City of Mississauga  
**Corporate Report**



<p>Date: February 22, 2023</p> <p>To: Chair and Members of General Committee</p>	<p>Originator's files:</p>
<p>From: Geoff Wright, P.Eng, MBA, Commissioner of Transportation and Works</p>	<p>Meeting date: March 8, 2023</p>

## Subject

**Funding for PRC003837 – Roadway Sweeping, Cleaning, Hauling and Disposal Services for a 3 Year Period.**

## Recommendation

That the 2023 budget for roadway cleaning services be increased by \$617,500, thereby allowing staff to proceed to award PRC003837 - Roadway Sweeping, Cleaning, Hauling and Disposal Services for a 3 Year Period, a total value of \$5,804,671.

## Executive Summary

- A new procurement, PRC003837- Roadway Sweeping, Cleaning, Hauling and Disposal Services, for a period of 3 years, has closed at a total recommended award value of \$5,804,671.
- There is insufficient funding to award the procurement at the tendered values. The 2023 operating budget, which supports the activities under this procurement, is \$1,317,390. The annualized procurement amount of PRC003837 is \$1,934,890. When broken down to the funding sources, there is an annualized unfavourable variance of \$617,500 in the Works Operations and Maintenance and Stormwater operating accounts.
- In accordance with Procurement By-law 013-2022, Section 14 – Authority to Approve Awards, staff is seeking approval of increased funding in order to proceed to award the contract.

## Background

On March 31, 2023, the City's current roadway cleaning services contract, PRC002174, will expire. The value of the 3-year contract beginning in June of 2020 and ending March 2023 is \$3,720,187. Due to the significant changes in the economic climate since the last procurement, which led to contractual issues arising, the option to extend the current contract was not exercised. This procurement provides for the various roadway cleaning activities including the

spring cleanup program, regular street sweeping program, emergency and on demand street sweeping/flushing, PM-10 dustless sweeping in the Clarkson District and various other sweeping services for internal City divisions.

In late 2022, staff prepared a new procurement for roadway cleaning services at existing service levels. The procurement was issued as PRC003837 and closed on January 30<sup>th</sup>, 2023. The new contract has been structured in parts, where bidders could bid on the whole or on parts of the contract. Five vendors submitted bids, which ranged significantly in value due to some vendors submitting bids on only parts of the contract and others submitting bids on all parts of the contract. The bids ranged from \$1,689,000 to \$15,259,585 for the 3-year period of the contract.

Funding for this procurement is provided through the Works Operations and Maintenance (WOM) operating account, MiWay operating account and the majority of funding coming out of the Stormwater operating account. Total budget for this procurement in 2023 is \$1,317,390.

In accordance with Procurement By-law 013-2022, Section 14 – Authority to Approve Awards, staff cannot award a contract when funds are not available. At time of writing, the Notice of Procurement Results has not been published while increased funding is sought.

## Comments

The values representing the award recommendation for PRC003837 are as per the following:

Part A: Spring Cleanup Program - \$2,777,571

Part B: Regular Street Sweeping Program - \$2,089,950

Part C: Emergency/Scheduled Street Sweeping - \$111,750

Part D: Emergency/Scheduled Street Flushing - \$12,900

Part E: Regenerative Air Street Sweeping - \$49,500

Part F: Sweeping of Transit Facility - \$259,000

Part G: Haulage and Disposal of Sweeping Materials - \$504,000

The total recommended award is \$5,804,671 for the 3-year term of the contract, which represents \$1,934,890 on an annualized basis. Of this amount, \$1,848,557 will be funded by WOM and Stormwater operating accounts and \$86,333 will be funded by MiWay operating accounts. There is an unfavourable variance in the WOM and Stormwater operating accounts of \$617,500 (see breakdown in table below) over the approved 2023 WOM and Stormwater budget of \$1,231,057.

The significant increase in pricing for this tender, when compared to the most recent procurement in 2020, is attributed to a combination of increases in fuel, equipment and labour costs over the past few years. Significant increases are expected in various other service contracts, heavily dependant on fuel and labour, as the current contracts expire.

## Financial Impact

For the 2023 year, the recommended roadway cleaning services procurement award amount of \$5,804,671 will present an annual unfavourable variance of \$617,500. This variance falls within the WOM and Stormwater operating cost centers and cost element 715636. This report is asking for additional funding of \$617,500 in 2023 to allow for staff to proceed to award PRC003837 - Roadway Sweeping, Cleaning, Hauling and Disposal Services for a 3 Year Period. The requested funding will be provided through operating reserve and Stormwater reserve funds. Future year budgets for this service will be adjusted accordingly.

The below table indicates the variance of the applicable cost centres in consideration of the award of PRC003837:

Cost Centres	2023 Allocated Budget	Recommended Award Amount, Per Year	Variance
23402 Spring Clean/24306 Sidewalk/Boulevard Cleaning	\$615,971	\$925,857	(\$309,886)
24301 Works Street Cleaning	\$375,086	\$754,700	(\$379,614)
23845 Waste Haulage/Disposal	\$240,000	\$168,000	\$72,000
<b>Total WOM and Stormwater Budget/Costs</b>	<b>\$1,231,057</b>	<b>\$1,848,557</b>	<b>(\$617,500)</b>
23646 MiWay Transit	\$86,333	\$86,333	\$0
<b>Total</b>	<b>\$1,317,390</b>	<b>\$1,934,890</b>	<b>(\$617,500)</b>

## Conclusion

In order to maintain existing service levels in regards to the various street cleaning activities, staff are recommending the award of PRC003837 in the total amount of \$5,804,671 to various vendors, which presents a budget pressure of \$617,500 in 2023 and the same amount for the 2024 and 2025 budgets respectively.

As a result, in accordance with Procurement By-law 013-2022, Council approval is required to secure sufficient funding in order to allow staff to proceed with award of PRC003837.



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Geoff Wright, P.Eng, MBA, Commissioner of Transportation and Works

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