

To: Mayor and Council

Date: February 14, 2018

From: Lorraine Hilton
Chief Administrative Officer

File: 2320.28

To Council
February 19, 2018

Subject: HIGHWAY MAINTENANCE CONTRACT EXTENSION

PURPOSE:

To request a one-year extension to the District of Highlands and Victoria Contracting and Municipal Maintenance Corporation Agreement for roads maintenance.

BACKGROUND:

The District has contracted its road maintenance services out since incorporation to Victoria Contracting and Municipal Maintenance Corporation.

Last year Council approved a one-year extension of the above noted contract so that the District could move forward with a competitive procurement process and meet its obligations under the New West Partnership Trade Agreement; the contract expires March 31, 2018. Subsequent to approving the one-year extension, the District applied for and received funding assistance for Asset Management Planning as contained in Council's Strategic Plan priorities. This then became a priority over the competitive procurement process for Highway Maintenance services.

OPTIONS:

1. That a one year extension to the Highway Maintenance Contract with Victoria Contracting and Municipal Maintenance Corporation to March 31, 2019 be approved at a rate of 3.1% over the 2017 contract price, and that the Mayor and Corporate Officer be authorized to execute the agreement on behalf of the District.
2. That Council provide alternate direction to staff.

DISCUSSION:

The Asset Management Program, the endorsement of which is before Council at the February 19th meeting, is expected to inform and set expectations in our road maintenance requirements. Accordingly, it is desirable that Council consider an additional one-year extension to the roads maintenance contract in order to include the results of the asset management planning process into the competitive procurement process, which will take some time to complete with consulting assistance.

The contractor has proposed a 3.1% increase over the 2017 contract price inasmuch as there is only one year versus five years over which to spread out unexpected fluctuations due to, for example, winter road conditions.

The contract price for 2017 was \$101,869, however, this needs to be updated inasmuch as there were new roads built over 2015, 2016 and 2017, the maintenance cost for which must be added to the contract price (under the provisions of the contract). This will increase the overall contract price.

CONCLUSION:

With the expected culmination of the asset management plan process, the District will now be in a position to undertake a competitive procurement process as previously directed by Council. Accordingly, a one year extension to the current contract is required to provide sufficient time to allow for the entire process to be completed.

RECOMMENDATION:

That a one year extension to the Highway Maintenance Contract with Victoria Contracting and Municipal Maintenance Corporation to March 31, 2019 be approved at a rate of 3.1% over the 2017 contract price, and that the Mayor and Corporate Officer be authorized to execute the agreement on behalf of the District.

Respectfully submitted,



Lorraine Hilton
Chief Administrative Officer