

City of Kingston Report to Council Report Number 25-082

То:	Mayor and Members of Council
From:	Ian Semple, Acting Commissioner, Transportation &
	Infrastructure Services
Resource Staff:	Karen Santucci, Director, Public Works & Solid Waste
Date of Meeting:	March 18, 2025
Subject:	Single Source - East Winter Maintenance Contract

Council Strategic Plan Alignment:

Theme: Corporate business

Goal: See above

Executive Summary:

The purpose of this report is to seek Council approval to single source work related to winter maintenance services in the east end of Kingston. The original contract was awarded to GIP Paving Inc through Request for Proposal (RFP) F31-TPW-PW-2020-01 and expires at the end of the 2024/2025 winter season. Staff are seeking a single-year extension of the contract commencing on November 10, 2025 and ending on April 12, 2026.

Schedule C to the City's Procurement By-Law Number 2022-154 requires Council approval to award a contract under a non-standard procurement method that exceeds \$500,000.

The terms of service of the contract extension are the same as the original contract which included an annual 2% escalation of the fee. Public Works and Procurement staff have reviewed similar contracts awarded in recent years to other municipalities to confirm that this approach represents good value. Contracts have been escalating at rates of 10-15%.

Staff are requesting single-source procurement for one year of services commencing on November 10, 2025 and ending on April 12, 2026 with a new RFP planned for services for the 2026-2027 winter season.

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Recommendation:

That Council authorize the Mayor and Clerk to enter into a one-year extension agreement with GIP Paving Inc., in a form satisfactory to Legal Services, for a term commencing November 10, 2025 and ending April 12, 2026.

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Authorizing Signatures:

ORIGINAL SIGNED BY COMMISSIONER

Ian Semple, Acting Commissioner, Transportation & Infrastructure Services

ORIGINAL SIGNED BY CHIEF

ADMINISTRATIVE OFFICER

Lanie Hurdle, Chief Administrative Officer

Paige Agnew, Commissioner, Growth & Development Services	Not required
Jennifer Campbell, Commissioner, Community Services	Not required
Neil Carbone, Commissioner, Corporate & Emergency Services	Not required
David Fell, President & CEO, Utilities Kingston	Not required

Desirée Kennedy, Chief Financial Officer & City Treasurer

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Options/Discussion:

On June 16, 2020, the following resolution from Report Number 20-134 was approved:

Award of Contract – Winter Maintenance Roads, Sidewalks and Bus Stops

That Council authorize the Mayor and Clerk to enter into a contract, in a form satisfactory to the Director of Legal Services, with Coco Paving Inc., for Winter Maintenance – Roads, Sidewalks, and Bus Stops services, for a five-year term commencing November 16, 2020 to April 11, 2025.

GIP Paving Inc. (GIP), formerly Coco Paving Inc., is currently in the final year of a fiveyear contract to perform winter maintenance in Kingston East (the former Pittsburgh Township). The contract allowed for a 2% annual increase in cost due to year-to-year inflationary increases. Staff have confirmed with GIP that current pricing will be held, with the increase of 2% if provided a commitment of work for the 2025/2026 winter season.

Throughout the duration of the contract, GIP Paving Inc. has not requested any additional increases beyond the agreed upon 2% during the duration of the five-year agreement and did not claim force majeure for post-pandemic inflation and/or rising fuel costs. GIP has modernized their fleet over the course of the contract, to which the oldest model year of road plow being used for the purposes of the City contract is 2015; five years newer than contract requirements. Furthermore, GIP has recently obtained a number of fleet equipment vehicles that are 2023 and 2025 model years, which greatly improves their already reliable fleet grouping. An approved 2025/2026 service year will ensure a maintained modernized fleet at a pre-pandemic market value.

Over the course of the current contract, the annual spending has been between \$1.2M-\$1.7M, based on the severity of winter seasons. Department staff reviewed the possibility of moving the services in-house to be performed by Public Works internal staff. This would result in a one-time investment in equipment and facilities of up to \$11M dollars, with additional staff salaries and similar year-to-year operating costs as incurred in the current contract.

Department staff, along with Procurement staff, have reviewed procurements conducted by other municipalities for similarly scoped contracted winter maintenance services over the past couple of years. The reviews reflected year-to-year increases of 10-15% compared to the City contract and proposed 2025/2026 winter season services. The assurance of a one-year contract at current contract values, including the expected increase of 2%, represents a significant value to the City related to costs while allowing staff to strategize and prepare an RFP for the 2026 winter season.

Upon entering into a one-year contract with GIP, department staff will begin drafting the new RFP for Kingston East winter maintenance services set to begin in November 2026. The term of the contract resulting from the RFP is intended to be five years, with possible optional year extensions if staff determine it is in the City's best interest. A one-year contract will allow staff to

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complete a fulsome procurement process that will allow better insight to plan for future operating budgets.

Existing Policy/By-Law

By-Law Number 2022-154 – A By-Law to Establish a Procurement Policy for the City of Kingston

Financial Considerations

There are sufficient funds in the annual Public Works operating budget to award the request herein of one year of services.

Contacts:

Karen Santucci, Director, Public Works & Solid Waste

Adam McDonald, Operations Manager, Public Works

Other City of Kingston Staff Consulted:

Alan McLeod, Senior Legal Counsel & Deputy City Solicitor

Brent Funnell, Manager, Procurement Services

Exhibits Attached:

None