



BID COMMITTEE CONTRACT AWARD

Award of Request for Quotation No. 6114-15-3081 to London Machinery Inc. for the Supply and Delivery of Thirty-Seven (37) Rear Loading Refuse Packer Body

Date:	July 28, 2015
To:	Bid Committee
From:	Director, Purchasing and Materials Management

RECOMMENDATIONS

The Director of Purchasing and Materials Management recommends that the Bid Committee grant authority to award the following contract:

Call No:	RFQ No. 6114-15-3081
Description:	<p>For the Supply and Delivery of Thirty-Seven (37) Truck Chassis with Cab-Over, Tandem Axle, 28,122 Kg. (62, 000 Lbs.) GVWR, complete with 32 Yd³ (24.44 m³) Single Stream, Rear Loading Refuse Packer Body for the period from the date of award to May 31, 2016, with the option to renew the contract for additional three (3) separate one (1) year periods at the sole discretion of the City and subject to budget approval(s).</p> <p>The City intends to purchase the following estimated quantities for vehicles: contract year (37 Units), Option Year 1 (2 Units), Option Year 2 (12 Units), Option Year 3 (12 Units).</p> <p>Should the option(s) be exercised, then the Director of Fleet Services will request the Director of Purchasing and Materials Management to process the renewals under the same terms and conditions.</p>
Recommended Bidder:	London Machinery Inc. (Bid 2)
Contract Award Value:	<p>\$11,233,422.00 net of all applicable taxes and charges \$12,693,766.86 including all applicable taxes and charges \$11,431,130.23 net of HST recoveries</p> <p>The contract is expected to start on the date of award and end on May 31, 2016.</p> <p>Option Year 1 - June 1, 2016 to May 31, 2017</p>

	<p>\$625,428.36 net of all applicable taxes and charges \$706,734.05 including all applicable taxes and charges \$636,435.90 net of HST recoveries</p> <p>Option Year 2 - June 1, 2017 to May 31, 2018 \$3,865,147.26 net of all applicable taxes and charges \$4,367,616.40 including all applicable taxes and charges \$3,933,173.85 net of HST recoveries</p> <p>Option Year 3 - June 1, 2018 to May 31, 2019 \$3,981,101.68 net of all applicable taxes and charges \$4,498,644.90 including all applicable taxes and charges \$4,051,169.07 net of HST recoveries</p> <p>The total potential cost to the City including all option years is \$20,051,909.05 net of HST recoveries. The total potential contract award including all option years is \$19,705,099.30 net of all applicable taxes and charges, \$22,266,762.21 including all applicable taxes and charges.</p> <p>The above cost calculations for the Option Years reflect an estimated 3% increases in the Industrial Product Price Index.</p>
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Contract Year and Option Years Breakdown:

Term	Base Unit Pricing (net of all taxes and charges)	Estimated Vehicle Options Pricing per Unit (net of all taxes and charges)	Base Unit Pricing + Vehicle Options Pricing per Unit (net of all taxes and charges)	Number of Vehicles	Total Cost (net of all taxes and charges)
Contract Year: Date of Award to May 31, 2016	\$260,870.00	\$42,736.00	\$303,606.00	37	\$11,233,422.00
Optional Year 1 (3% increase)*	\$268,696.10	\$44,018.08	\$312,714.18	2	\$625,428.36
Optional Year 2 (3% Increase)*	\$276,756.98	\$45,338.62	\$322,095.61	12	\$3,865,147.26
Optional Year 3 (3% Increase)*	\$285,059.69	\$46,698.78	\$331,758.47	12	\$3,981,101.68
Grand Total Potential Costs (Contract Year & All Option Years)					\$19,705,099.30

*Option year increases will be based on the Industrial Product Price Index (ippi)

Financial Impact

The total potential contract award identified in this report for all option years is \$22,266,762.21 including all applicable taxes and charges. The total potential cost to the City including all option years is \$20,051,909.05 net of HST recoveries.

Funding in the amount of \$5,715,565.10 is available in the 2015 Approved Capital budget for Fleet Services. Funding in the amount of \$5,715,565.10 for the balance of the contract period to May 31, 2015 is included in the 2016 Approved Capital Plan for Fleet Services.

Should the City choose to exercise its option to renew for an additional three (3) separate one (1) year periods, then appropriate additional funding, if needed, will be included in the 2016 – 2019 Capital Budget Submissions for Fleet Services under various cost centres and cost elements. Funding details are provided in the table noted below:

Account	Description	Date of Award to December 31, 2015 (net of HST recoveries)	January 1, 2016 to May 31, 2016 (net of HST recoveries)	Option Year 1 June 1, 2016 to May 31, 2017 (net of HST recoveries)	Option Year 2 June 1, 2017 to May 31, 2018 (net of HST recoveries)	Option Year 3 June 1, 2018 to May 31, 2019 (net of HST recoveries)
CFL008-16	Solid Waste Management Services (2015 Replacement)37 Units	\$11,431,130.23	\$0.00			
CFL008-17	Solid Waste Management Services (2015 Replacement)2 Units			\$636,435.90		
CFL008-18	Solid Waste Management Services (2015 Replacement)12 Units				\$3,933,173.85	
CFL008-19	Solid Waste Management Services (2015 Replacement)12 Units					\$4,051,169.07
Total Price (net of HST Recoveries)		\$11,431,130.23	\$0.00	\$636,435.90	\$3,933,173.85	\$4,051,169.07
Grand Total Price (net of HST Recoveries)						\$20,051,909.05

CALL SUMMARY

Ward No:	All	
Call Dates:	Issued: April 23, 2015 Closed: May 8, 2015	
# of Addenda Issued:	One (1)	
Number of Bids: Seven (7)	Firm Names:	Total Price (Including HST):
	1. Joe Johnson Equipment Bid A 2. Joe Johnson Equipment Bid B 3. London Machinery (Bid 2) 4. London Machinery (Bid 1) 5. Loadmaster Corp 6. Trucks & Binzz (Bid 1) 7. Trucks & Binzz (Bid 2)	Non-compliant Non-compliant \$12,693,766.86 \$12,884,922.18 \$13,043,135.82 \$13,575,121.66 \$13,624,624.70
Division Contacts	Elena Caruso Manager, Goods and Services Purchasing & Materials Management Division Telephone: 416-392-7316 E-Mail: ecaruso@toronto.ca	Vukadin Lalovic, P.Eng. Manager, Fleet Services Asset Management Telephone: 416-392-6365 E-Mail: vlalovi@toronto.ca

COMMENTS

For the recommended contract award, the following requirements have been met:

- (a) The firm recommended for award is the lowest bidder meeting specifications or to the highest scoring proponent based on the evaluation criteria included in the call and meeting the requirements of the call;
- (b) the appropriate Division has reviewed submissions and found the price to be reasonable, within available budget and concurs with the recommendation;
- (c) the total contract value is less than \$20 million dollars (excluding applicable taxes) and the contract term is:
 - i. for a contract funded by the operating budget, 5 years or less including any option years; or
 - ii. for a contract funded by the capital budget, within the projected term of the capital funding for the project as set out in the capital budget,
 being within the authority of the Bid Committee;
- (d) there are no material written objections to the award;

- (e) the call document was advertised on the City's internet website and bids or proposals were opened publicly; and
- (f) the Fair Wage Office confirms the recommended firm understands the Fair Wage Policy and Labour Trades requirements and has agreed to comply fully.

Additional details and information for the above calls are on the file in the Purchasing and Materials Management Division.

Michael Pacholok
Director, Purchasing and Materials Management Division