



BID AWARD PANEL CONTRACT AWARD

Award of Request for Quotation No. 6125-18-0282 to Kal Tire for the non-exclusive provision of 24/7 mobile roadside and on-site tire services

Date: November 29, 2018
To: Bid Award Panel
From: Chief Purchasing Officer
Wards: All

RECOMMENDATIONS

The Chief Purchasing Officer recommends that the Bid Award Panel grant authority to award the following contract:

Call Number:
RFQ No. 6125-18-0282

Description:

For the non-exclusive provision of 24/7 mobile roadside and on-site tire services of off-road vehicles and equipment and on-road light and heavy duty commercial vehicles owned and operated by the City of Toronto's various Divisions, on an as and when required basis, for a period of one (1) year from December 10, 2018 to December 9, 2019 with the option to renew the contract for four (4) additional separate one (1) year periods.

The contract award value includes a 25% miscellaneous line item for Fleet Services and Paramedic Services, and a 10% miscellaneous line item for Fire Services as permitted by the terms and conditions of the RFQ, on top of the recommended Bidder's award value listed in the call summary, Table 1.

Should the option(s) be exercised, then the General Manager of Fleet Services will request the Chief Purchasing Officer to process the renewals under the same term and conditions.

Recommended Bidder:
Kal Tire

Contract Award Value:
\$1,259,329 net of all applicable taxes and charges
\$1,423,042 including HST and all applicable charges
\$1,281,493 net of HST recoveries

Contract is expected to start on December 10, 2018 and end on December 9, 2019

Option Year 1 - From December 10, 2019 to December 9, 2020

\$1,297,109 net of all applicable taxes and charges

\$1,465,733 including all applicable taxes and charges

\$1,319,938 net of HST recoveries

Option Year 2 – From December 10, 2020 to December 9, 2021

\$1,336,022 net of all applicable taxes and charges

\$1,509,705 including all applicable taxes and charges

\$1,359,536 net of HST recoveries

Option Year 3 - From December 10, 2021 to December 9, 2022

\$1,376,103 net of all applicable taxes and charges

\$1,554,996 including all applicable taxes and charges

\$1,400,322 net of HST recoveries

Option Year 4 - From December 10, 2022 to December 9, 2023

\$1,417,386 net of all applicable taxes and charges

\$1,601,646 including all applicable taxes and charges

\$1,442,332 net of HST recoveries

The total potential contract award identified in this report including all optional years is \$6,685,949 net of all taxes, and \$7,555,122 including all applicable taxes and charges. **The total potential cost to the City, including all option years, is \$6,803,621 net of HST recoveries.**

The above cost calculations for the Option Years reflect an estimated 3% increase in the Consumer Price Index.

FINANCIAL IMPACT

The total potential contract award identified in this report including all optional years is \$7,555,122 including all applicable taxes and charges. The total potential cost to the City is \$6,803,621 net of HST recoveries.

Funding in the amount of \$91,740 net of HST recoveries is included in the 2018 Approved Operating Budget for Fleet Services Division. Funding in the amount of \$1,009,134 net of HST recoveries for the balance of the contract period to December 9, 2019 will be included in the 2019 Operating Budget Submission for Fleet Services Division.

Funding in the amount of \$11,350 net of HST recoveries is included in the 2018 Approved Operating Budget for Toronto Fire Services Division. Funding in the amount of \$124,849 net of HST recoveries for the balance of the contract period to December 9, 2019 will be included in the 2019 Operating Budget Submission for Fire Services Division.

Funding in the amount of \$3,702 net of HST recoveries is included in the 2018 Approved Operating Budget for Toronto Paramedic Services Division. Funding in the

amount of \$40,718 net of HST recoveries for the balance of the contract period to December 9, 2019 will be included in the 2019 Operating Budget Submission for Toronto Paramedic Services Division.

Should the City choose to exercise its option to renew for an additional four (4) separate one (1) year periods, then appropriate additional funding, if needed, will be included in the 2019 – 2023 annual Operating Budget Submissions for each participating division. Funding details are provided below:

Table 1: Financial Impact Summary of Recommended Contract (net of HST recoveries)

Fleet Services Division Cost Centre: FL100 Cost Element: 4423	Net of HST recoveries
From date of award to December 31, 2018	\$91,740
From January 1, 2019 to December 9, 2019	\$1,009,134
Option Year One - From December 10, 2019 to December 9, 2020	\$1,133,900
Option Year Two - From December 10, 2020 to December 9, 2021	\$1,167,917
Option Year Three - From December 10, 2021 to December 9, 2022	\$1,202,955
Option Year Four - From December 10, 2022 to December 9, 2023	\$1,239,044
Total Award From December 10, 2018 to December 9, 2023	\$5,844,690

Toronto Fire Services Division Cost Centre: FR0025 Cost Element: 2135, 4423	Net of HST recoveries
From date of award to December 31, 2018	\$11,350
From January 1, 2019 to December 9, 2019	\$124,849
Option Year One - From December 10, 2019 to December 9, 2020	\$140,285
Option Year Two - From December 10, 2020 to December 9, 2021	\$144,494
Option Year Three - From December 10, 2021 to December 9, 2022	\$148,828
Option Year Four - From December 10, 2022 to December 9, 2023	\$153,293
Total Award From December 10, 2018 to December 9, 2023	\$723,099

Toronto Paramedic Services Division Cost Centre: B41100, B46700, GL4404 Cost Element: 4403	Net of HST recoveries
From date of award to December 31, 2018	\$3,702
From January 1, 2019 to December 9, 2019	\$40,718
Option Year One - From December 10, 2019 to December 9, 2020	\$45,752
Option Year Two - From December 10, 2020 to December 9, 2021	\$47,125
Option Year Three - From December 10, 2021 to December 9, 2022	\$48,539
Option Year Four - From December 10, 2022 to December 9, 2023	\$49,995
Total Award From December 10, 2018 to December 9, 2023	\$235,831

CALL SUMMARY

Call Issued: August 2, 2018

Call Closed: September 5, 2018

Number of Addenda Issued: Five (5)

Number of Bids: Two (2)

Table 2: Summary of Bids Received for RFQ Number 6125-18-0282 including bid price

Bidder Name	Evaluated Bid Price (including H.S.T) and excluding miscellaneous cost
Kal Tire	\$1,154,932.77*
J.F. Tire Services Inc	\$1,579,897.07*

*Bid prices were corrected for mathematical errors

NOTE: Bid prices in Table 2 do not reflect a 10% miscellaneous line item for Fire Services and 25% miscellaneous line items for Fleet Services and Paramedic Services.

DIVISION CONTACTS

Elena Caruso, Manager, Goods and Services, Purchasing & Materials Management Division, 416-392-7316, elena.caruso@toronto.ca

Shastri Sooklal, Manager, Fleet Contracts, Fleet Services Division, 416-338-2173, shastri.sooklal@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:

1. for a contract funded by the operating budget, 5 years or less including any option years; or

2. 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 Award Panel;

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.

SIGNATURE

Michael Pacholok, Chief Purchasing Officer