BA60.1

BID AWARD PANEL CONTRACT AWARD

Award of Doc No. 2019433066 for 24/7 Mobile Roadside and On-site Tire Inspection and Installation Services

Date: December 19, 2019
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:
Doc Number 2019433066

Description:
For the non-exclusive supply of 24/7 mobile roadside and on-site tire services for on-road light, medium and heavy duty commercial vehicles and off-road vehicles and equipment owned and operated by the City of Toronto on an as and when required basis for a period of one (1) year from February 1, 2020 to January 31, 2021, with the option to renew the Contract for four (4) additional separate one (1) year periods.

Should the option(s) be exercised, the Fleet Services Division, Toronto Paramedic Services, and Fire Services will request the Chief Purchasing Officer to process the renewals under the same terms and conditions.

Recommended Bidder:
Kal Tire

Contract Award Value:

$ 1,087,041 net of all applicable taxes and charges
$ 1,228,356 including HST and all applicable charges
$ 1,106,173 net of HST recoveries

The contract is expected to start on February 1, 2020 and end on January 31, 2021.

Option Year 1 - From February 1, 2021 to January 31, 2022
$1,119,651 net of all applicable taxes and charges

$1,265,206 including all applicable taxes and charges
$1,139,357 net of HST recoveries

Option Year 2 – From February 1, 2022 to January 31, 2023
$1,153,241 net of all applicable taxes and charges
$1,303,162 including all applicable taxes and charges
$1,173,538 net of HST recoveries

Option Year 3 - From February 1, 2023 to January 31, 2024
$1,187,838 net of all applicable taxes and charges
$1,342,257 including all applicable taxes and charges
$1,208,744 net of HST recoveries

Option Year 4 - From February 1, 2024 to January 31, 2025
$1,223,474 net of all applicable taxes and charges
$1,382,526 including all applicable taxes and charges
$1,245,007 net of HST recoveries

The total potential contract award including all option years is $5,872,819 net of HST recoveries, $6,521,507 including all applicable taxes and charges and $5,771,245 net of all applicable taxes and charges.

The above cost calculations for the Option Years reflect an estimated annual 3% increase as per the Consumer Price Index (CPI).

FINANCIAL IMPACT

The total contract award identified in this report is $6,521,507 including all applicable taxes and charges. The cost to the City is $5,872,819 net of HST recoveries.

Funding is included in the 2020 Recommended Operating Budgets for Fleet Services, Toronto Fire Services, and Toronto Paramedic Services. Additional funding for the balance of the contract period will be requested in their 2021 Operating Budget Submissions.

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 2021-2025 annual Operating Budget Submission for each division. Funding details are summarized in Table 1 as follows:

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

WBS Element / Group Cost Centre	Initial Year	Initial Year	Option Year One	Option Year Two	Option Year Three	Option Year Four
	February 1, 2020 to December 31, 2020	January 1, 2021 to January 31, 2021	February 1, 2021 to January 31, 2022	February 1, 2022 to January 31, 2023	February 1, 2023 to January 31, 2024	February 1, 2024 to January 31, 2025

FL100 / 2181, 4404, 4423	$891,083	$81,008	$1,001,253	$1,031,291	$1,062,230	$1,094,097
FR0025/ 4423	$20,485	$1,862	$23,017	$23,708	$24,419	$25,152
B41100 / 4404	$102,424	$9,311	$115,087	$118,539	$122,095	$125,758
Total Contract Term (net of HST Recoveries)					$5,872,819	

CALL SUMMARY

Call Issued: October 11, 2019 **Call Closed:** November 12, 2019
Number of Addenda Issued: Two (2)
Number of Bids: Two (2)

Table 2: Summary of Bids Received for RFQ 6125-19-0245 including bid price

Bidder Name	Evaluated Bid Price (including H.S.T.)
Kal Tire	$ 992,610.42 *
J.F. Tire Service Inc.	$ 1,217,551.80 (including 1% prompt payment)

* The miscellaneous line of 25% was included to the contract award value on page 1 as permitted under the terms and conditions of the tender documents. Also, requirements from Solid Waste Management Services Division were removed after the RFQ was closed as per the division's request.

DIVISION CONTACTS

Elena Caruso, Manager, Goods and Services, Purchasing & Materials Management, Tel: 416-392-7316, Email: Elena.Caruso@toronto.ca

Mark Stuart Adams, Commander, Materials and Equipment, 416-392-2082, Email: Mark.Adams@toronto.ca

Rhonda Hamel-Smith, Deputy Chief, Operational Support, 416-397-0246, Email: Rhonda.Hamel-Smith@toronto.ca

David Tran, Manager, Fleet Contracts, Fleet Services Division, 416-338-7857, Email: david.tran@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