



BID AWARD PANEL CONTRACT AWARD

Award of Doc No. 2037214860 for the non-exclusive supply, delivery and/or pick up of various Plumbing & Heating Materials

Date: January 9, 2020
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 2037214860

Description:
For RFQ 4202-19-0193 for the non-exclusive supply, delivery and/or pick up of various Plumbing & Heating Materials, for a contract term beginning on February 1, 2020 and ending 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 various participating divisions will request the Chief Purchasing Officer to process the renewals under the same terms and conditions.

Recommended Bidder:
Next Supply

Contract Award Value:
\$2,253,225 net of all applicable taxes and charges
\$2,546,144 including HST and all applicable charges
\$2,292,882 net of HST recoveries

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

Option Year 1: (February 1, 2021 - January 31, 2022)
\$2,320,822 net of all applicable taxes and charges
\$2,622,529 including HST and all applicable charges
\$2,361,668 net of HST recoveries

Option Year 2: (February 1, 2022 - January 31, 2023)

\$2,390,446 net of all applicable taxes and charges
\$2,701,204 including HST and all applicable charges
\$2,432,518 net of HST recoveries

Option Year 3: (February 1, 2023 - January 31, 2024)
\$2,462,160 net of all applicable taxes and charges
\$2,782,241 including HST and all applicable charges
\$2,505,494 net of HST recoveries

Option Year 4: (February 1, 2024 - January 31, 2025)
\$2,536,025 net of all applicable taxes and charges
\$2,865,708 including HST and all applicable charges
\$2,580,659 net of HST recoveries

The total potential contract award including all option years is \$12,173,221 net of HST recoveries, \$13,517,826 including all applicable taxes and charges and \$11,962,678 net of all applicable taxes and charges.

The above cost calculations for the Option Years reflect an estimated annual 3% increase as per the Industrial Product Price Index (IPPI)

The Exhibition Place also participated in this Call and will be seeking their own authority.

FINANCIAL IMPACT

The total potential contract awards identified in this report, including all option years is \$13,517,826 including all applicable taxes and charges and \$11,962,678 net of all applicable taxes and charges. The total potential cost to the City, including all option years is \$12,173,221 net of HST recoveries

Funding is available in the 2020 Approved Operating Budgets for Toronto Water and Solid Waste Management Services and the 2020 Approved Capital Budget for Solid Waste Management Services. Funding for various other Divisions detailed below has been included in their 2020 Recommended Operating Budgets.

Should the optional periods be exercised, then additional funding will be requested in their future year budget submissions.

The cash flow funding requirement for this service is summarized in Table 1.

In the table below, the total estimated annual values per division do not include the Allpriser Ltd. discount offered but do include the IPPI 3% increase for each Option Year. (See Comments Section for further explanation)

Table 1: Financial Impact Summary, net of HST Recoveries

Division	G/L	Cost Centre	Initial Year	Initial Year	Option Year 1	Option Year 2	Option Year 3	Option Year 4	Total Contract Term
			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	
Toronto Water	2120 2535	TW2060 TW4022 TW4036 TW4070 TW4075 TW4080 TW4085 TW4095 TW4100 TW4105 TW6050 TW7015 TW7020 TW7030	\$726,208	\$66,019	\$815,994	\$840,474	\$865,688	\$891,659	\$4,206,041
Fire Services	2710	FR0025	\$26,305	\$2,391	\$29,557	\$30,444	\$31,357	\$32,298	\$152,353
Senior Services and Long-Term Care	2530	D3*061	\$102,608	\$9,328	\$115,294	\$118,753	\$122,315	\$125,985	\$594,283
Parks, Forestry & Recreation	2535	PR-PKS	\$425,823	\$38,711	\$478,470	\$492,825	\$507,609	\$522,838	\$2,466,276
Corporate Real Estate Management	2530	FA100-30	\$598,858	\$54,442	\$672,898	\$693,085	\$713,878	\$735,294	\$3,468,454
Solid Waste Management Services	4411 4412	SW0011 SW0850 SW0851 SW0852 SW0853 SW0854 SW0855 SW0856 SW0860 SW0862 SW0864	\$108,000	\$12,916	\$159,651	\$164,440	\$169,374	\$174,456	\$822,843
Solid Waste Management Services	4411 4412	CSW930-01-01 CSW930-02-01 CSW930-03-01 CSW930-04-01	\$114,006	\$7,266	\$89,804	\$92,498	\$95,272	\$98,130	\$462,970

Division	G/L	Cost Centre	Initial Year	Initial Year	Option Year 1	Option Year 2	Option Year 3	Option Year 4	Total Contract Term
			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	
Total Cost			\$2,101,808	\$191,073	\$2,361,668	\$2,432,518	\$2,505,494	\$2,580,659	\$12,173,221

CALL SUMMARY

Call Issued: November 8, 2019

Call Closed: December 4, 2019

Number of Addenda Issued: None

Number of Bids: 2

Table 2: Summary of Bids Received (net of all taxes and charges)

Next Supply	\$544,512.50 (Prompt 2%, net 30)
Noble Corporation	\$741,481.97 (Prompt 2%, net 30)

DIVISION CONTACTS

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COMMENTS

In any given year the City purchases a wide range of products in volumes that can change significantly from year to year. In order to provide a process that is fair to vendors and provides the City with the best prices, bids were requested based on a percent (%) discount off the Industry Standard Allpriser Ltd. Price Guide for twenty five (25) different categories with a representative annual estimate of divisional usage. The recommended Bidder's weighed average discount for the total yearly dollar value is the highest, resulting in the lowest cost to the City.

The potential contract award per Division is based on the Divisions estimated spend per category, based on their estimated usage as noted above. The bidders discount offered for each category is used for evaluation purposes only.

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