



## BID AWARD PANEL CONTRACT AWARD

### **Award of ARIBA Doc2232696508 for Ammonia Refrigeration Maintenance for various City of Toronto locations to CIMCO Refrigeration, a Division of Toromont Industries**

**Date:** September 17, 2020  
**To:** Bid Award Panel  
**From:** Chief Procurement Officer  
**Wards:** All

#### **RECOMMENDATIONS**

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**The Chief Procurement Officer recommends that the Bid Award Panel grant the authority to award the following Contract:**

**Solicitation Number:**  
Request for Quotations No. Doc2232696508

**Description:**  
Corporate Real Estate Management, Facilities Sourcing, and PMMD recommend the award of an Agreement to CIMCO Refrigeration, a Division of Toromont Industries (CIMCO), for the provision of the services for the upkeep of the Ammonia Refrigeration Equipment used in the operation of City-operated ice-skating rinks. The Agreement covers preventative maintenance and on-demand repair work.

The base contract term is three (3) years, with the option to renew for two (2) additional one (1) year periods.

Should the option years be exercised, the Executive Director of Corporate Real Estate Management will request the Chief Procurement Officer to process the renewals under the same terms and conditions.

**Recommended Supplier:**  
CIMCO Refrigeration, a Division of Toromont Industries

#### **Contract Award Value:**

Initial Term (three years) from the date of award to September 30, 2023  
\$ 3,925,943 net of all applicable taxes and charges  
\$ 4,436,315 including all applicable taxes and charges  
**\$ 3,995,039 net of HST recoveries**

**The anticipated Contract start is October 1, 2020, and the expiry is September 30, 2023.**

Option Year 1 - October 1, 2023 to September 30, 2024  
 \$ 1,361,339 net of all applicable taxes and charges  
 \$ 1,538,313.07 including all applicable taxes and charges  
 \$ 1,385,299 net of HST recoveries

Option Year 2 - October 1, 2024 to September 30, 2025  
 \$ 1,388,566 net of all applicable taxes and charges  
 \$ 1,569,079 including all applicable taxes and charges  
 \$ 1,413,004 net of HST recoveries

The total potential contract award to CIMCO, including the two (2) option years, is \$7,543,707, including all applicable taxes and charges and \$6,675,848 net of all taxes and charges. **The total potential cost to the City, including all option years, is \$6,793,342 net of HST recoveries.**

The above cost calculations for the Contract Award Values reflect a 2% fixed annual pricing adjustment for the entire contract term, including all option years.

## **FINANCIAL IMPACT**

The total award amount, including option years, is \$7,543,707, and \$6,675,848 net of all taxes and charges. The potential cost to the City, including all option years, is \$6,793,342 net of HST recoveries.

Funding in the amount of \$427,067 net of HST recoveries is available in the 2020 Approved Operating Budget for Corporate Real Estate Management (CREM) under cost centre FA100-30, cost element 4424. Additional funding will included in the 2021-2023 Operating Budget Submissions for CREM.

Should the optional year(s) be exercised, then additional funding, as required, will be requested in the 2023-2024 Operating Budget Submissions for CREM. Funding details are summarized in Table 1 below.

Table 1. Financial Impact Summary of Recommended Contract (net of HST Recoveries)

<b>Fixed Term (Year 1 to Year 3)</b>				<b>Option Years</b>	
2020	2021	2022	2023	Option Year 1: Oct 1, 2023 to Sept 30, 2024	Option Year 2: Oct 1, 2023 to May 31, 2024
\$435,133	\$1,314,100	\$1,340,382	\$905,424	\$1,385,299	\$1,413,005
Total Fixed Term			\$3,995,039		

Fixed Term (Year 1 to Year 3)	Option Years	
	Total including Option Years (Net of HST Recoveries)	\$6,793,342
	Cost Centre & G/L Account Corporate Real Estate Management	4424 / FA100-30

## SOLICITATION SUMMARY

**Solicitation Issued:** May 21, 2020      **Solicitation Closed:** July 07, 2020  
**Number of Addenda Issued:** Twelve (12)  
**Number of Bids:** Two (2)

**Table 2:** Summary of Bids Received for Ariba Doc2232696508, including Bid price

Bidder Name	Evaluated Bid Price (including HST):
CIMCO Refrigeration, A Division of Toromont Industries	\$3,925,942.75
*Carmichael Engineering LTD.	\$6,385,937.75

\*Non-Compliant

## DIVISION CONTACTS

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## COMMENTS

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

- a. The supplier recommended for award is the successful supplier meeting specifications based on the evaluation criteria included in the Solicitation and meeting the requirements of the Solicitation;
- 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,
3. being within the authority of the Bid Award Panel;
- d. there are no material written objections to the award;
- e. the Solicitation document was advertised on the City's ARIBA and 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 Solicitations are on the file in the Purchasing and Materials Management Division.

**SIGNATURE**

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Michael Pacholok  
Chief Procurement Officer