



BID AWARD PANEL CONTRACT AWARD

Award of Ariba Doc. No. 2581687870 to Petro-Canada Lubricants Inc. for the supply and delivery of various lubricating oils, transmission fluids, hydraulic oils, gear oils and greases to Various City Divisions.

Date: November 26, 2020

To: Bid Award Panel

From: Chief Procurement Officer

Wards: All

RECOMMENDATIONS

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

Solicitation Number:

Request for Quotation (RFQ), Ariba Doc No. 2581687870

Description:

For the non-exclusive supply and delivery of various lubricating oils, transmission fluids, hydraulic oils, gear oils and greases in Lot A, for the period of one (1) year from December 1, 2020 to November 30, 2021, with the option to renew the contracts for four (4) additional separate one (1) year periods.

The RFQ is structured to award two (2) separate contract(s) to the lowest Suppliers based on the Suppliers meeting specifications in the Lot A and Lot B price forms.

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

Recommended Supplier:

Petro-Canada Lubricants Inc. (Lot A)

Contract Award Value:

\$ 838,003 net of all applicable taxes and charges

\$ 946,943 including HST and all applicable charges

\$ 852,752 net of HST recoveries

Contract is expected to start on December 1, 2020 and end on November 30, 2021

Option Year 1 from December 1, 2021 to November 30, 2022
\$863,143 net of all applicable taxes and charges
\$975,351 including all applicable taxes and charges
\$878,334 net of HST recoveries

Option Year 2 from December 1, 2022 to November 30, 2023
\$889,037 net of all applicable taxes and charges
\$1,004,612 including all applicable taxes and charges
\$904,684 net of HST recoveries

Option Year 3 from December 1, 2023 to November 30, 2024
\$915,708 net of all applicable taxes and charges
\$1,034,750 including all applicable taxes and charges
\$931,825 net of HST recoveries

Option Year 4 from December 1, 2024 to November 30, 2025
\$943,180 net of all applicable taxes and charges
\$1,065,793 including all applicable taxes and charges
\$959,780 net of HST recoveries

The total potential contract award identified in this report including all optional years is \$4,449,071 net of all taxes, and \$5,027,450 including all applicable taxes and charges. **The total potential cost to the City, including all option years, is \$4,527,374, net of HST recoveries.**

The above cost calculations reflect a 20-35% contingency cost per participating division for unforeseen factors and 3% IPPI adjustment applied annually to the yearly cost after the initial one (1) year period and not reflected in the evaluated bid price noted in Table 2.

Safety Kleen Canada is to receive a contract award for the Lot B line items they were lowest Suppliers meeting specification on, including all option years, in the total amount of \$58,931 net of all applicable taxes and charges, all in accordance with the Purchasing By-Law 195-8, Toronto Municipal Code Chapter 195 Article 8.1 – Authority to award – Chief Purchasing Officer.

FINANCIAL IMPACT

The total contract award identified in this report is \$5,027,450 including all applicable taxes and charges. The cost to the City is \$4,527,374 net of HST recoveries.

Funding in the amount of \$36,841 net of HST recoveries is included in the 2020 Approved Operating Budget for Fleet Services Division. Funding in the amount of \$396,931 net of HST recoveries for the balance of the contract period to November 30, 2021 will be included in the 2021 Operating Budget Submission for Fleet Services Division.

Funding in the amount of \$6,939 net of HST recoveries is included in the 2020 Approved Operating Budget for Toronto Fire Services. Funding in the amount of \$74,764 net of HST recoveries for the balance of the contract period to November 30, 2021 will be included in the 2021 Operating Budget Submission for Toronto Fire Services.

Funding in the amount of \$8,643 net of HST recoveries is included in the 2020 Approved Operating Budget for Parks, Forestry & Recreation. Funding in the amount of \$93,117 net of HST recoveries for the balance of the contract period to November 30, 2021 will be included in the 2021 Operating Budget Submission for Parks, Forestry & Recreation.

Funding in the amount of \$1,304 net of HST recoveries is included in the 2020 Approved Operating Budget for Solid Waste Management. Funding in the amount of \$14,050 net of HST recoveries for the balance of the contract period to November 30, 2021 will be included in the 2021 Operating Budget Submission for Solid Waste Management.

Funding in the amount of \$12,649 net of HST recoveries is included in the 2020 Approved Operating Budget for Toronto Water. Funding in the amount of \$136,282 net of HST recoveries for the balance of the contract period to November 30, 2021 will be included in the 2021 Operating Budget Submission for Toronto Water.

A limited amount of the materials on this contract as detailed in Table 3 will be purchased for PMMD Stores inventory purposes. The material value will be held in inventory holding Balance Sheet accounts until City Divisions require the material to support their work programs at which time the material value is charged to the appropriate Divisions' approved operating budgets.

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 Submissions for each participating division. Funding details are provided in the table below.

Table 1: Financial Impact Summary of Recommended Contract - Fleet Services Division Operational Budget FL100

Fleet Services Division Fleet Services Operational Budget: FL100 Cost Element: 2401	Net of HST recoveries
Initial Year Period From December 1, 2020 to December 31, 2020	36,841
Initial Year Period From January 1, 2021 to November 30, 2021	396,931
Option Year 1 From December 1, 2021 to November 30, 2022	446,785
Option Year 2 From December 1, 2022 to November 30, 2023	460,189
Option Year 3 From December 1, 2023 to November 30, 2024	473,994
Option Year 4 From December 1, 2024 to November 30, 2025	488,214
Total Cost from January 1, 2021 to November 30, 2025	2,302,954

Table 2: Financial Impact Summary of Recommended Contract - Fire Services Operational Budget

Fire Services Fleet Services Operational Budget: FR0025 Cost Elements: 2401 & 2499	Net of HST recoveries
Initial Year Period From December 1, 2020 to December 31, 2020	6,939
Initial Year Period From January 1, 2021 to November 30, 2021	74,764
Option Year 1 From December 1, 2021 to November 30, 2022	84,154
Option Year 2 From December 1, 2022 to November 30, 2023	86,678
Option Year 3 From December 1, 2023 to November 30, 2024	89,279
Option Year 4 From December 1, 2024 to November 30, 2025	91,957
Total Cost from January 1, 2021 to November 30, 2025	433,771

Table 3: Financial Impact Summary of Recommended Contract - Materials Management and Stores Cost Holding Account

Materials Management and Stores Cost Holding Account: 160004, 160026, 160049, 160067, 160068, 160082, 160083, 160085, 160171	Net of HST recoveries
Initial Year Period From December 1, 2020 to December 31, 2020	6,050
Initial Year Period From January 1, 2021 to November 30, 2021	65,182
Option Year 1 From December 1, 2021 to November 30, 2022	73,369
Option Year 2 From December 1, 2022 to November 30, 2023	75,570
Option Year 3 From December 1, 2023 to November 30, 2024	77,837
Option Year 4 From December 1, 2024 to November 30, 2025	80,172
Total Cost from January 1, 2021 to November 30, 2025	378,180

Table 4: Financial Impact Summary of Recommended Contract - Parks, Forestry & Recreation Operational Budget

Parks, Forestry & Recreation Operational Budget: PR010-11 Cost Element: 2120	Net of HST recoveries
Initial Year Period From December 1, 2020 to December 31, 2020	8,643
Initial Year Period From January 1, 2021 to November 30, 2021	93,117
Option Year 1 From December 1, 2021 to November 30, 2022	104,813
Option Year 2 From December 1, 2022 to November 30, 2023	107,957
Option Year 3 From December 1, 2023 to November 30, 2024	111,196
Option Year 4 From December 1, 2024 to November 30, 2025	114,532
Total Cost from January 1, 2021 to November 30, 2025	540,258

Table 5: Financial Impact Summary of Recommended Contract - Solid Waste Management Operational Budget

Solid Waste Management Operational Budget: SW0850, SW0851, SW0852, SW0853, SW0854, SW0855, SW0856, SW0011, SW0860, SW0862, SW0864	Net of HST recoveries
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Cost Element: 2120	
Initial Year Period From December 1, 2020 to December 31, 2020	1,304
Initial Year Period From January 1, 2021 to November 30, 2021	14,050
Option Year 1 From December 1, 2021 to November 30, 2022	15,814
Option Year 2 From December 1, 2022 to November 30, 2023	16,289
Option Year 3 From December 1, 2023 to November 30, 2024	16,778
Option Year 4 From December 1, 2024 to November 30, 2025	17,281
Total Cost from January 1, 2021 to November 30, 2025	81,516

Table 6: Financial Impact Summary of Recommended Contract - Toronto Water Operational Budget

Toronto Water Operational Budget: TW4070, TW4022, TW4036 Cost Element: 2401	Net of HST recoveries
Initial Year Period From December 1, 2020 to December 31, 2020	12,649
Initial Year Period From January 1, 2021 to November 30, 2021	136,282
Option Year 1 From December 1, 2021 to November 30, 2022	153,399
Option Year 2 From December 1, 2022 to November 30, 2023	158,001
Option Year 3 From December 1, 2023 to November 30, 2024	162,741
Option Year 4 From December 1, 2024 to November 30, 2025	167,623
Total Cost from January 1, 2021 to November 30, 2025	790,696

SOLICITATION SUMMARY

Solicitation Issued: September 4, 2020

Solicitation Closed: October 9, 2020

Number of Addenda Issued: 3

Number of Bids: 3

Table 2: Summary of Bids Received for RFQ, Ariba Doc. No. 2581687870 including bid price:

Supplier Name	Evaluated Bid Price (including H.S.T.)
LOT A – PRICE FORM	
Petro Canada Lubricants Inc.	\$672,427 (excluding 1.47% volume rebate)
Shell Canada Products	\$701,670
Safety Kleen Canada	Non-compliant

Supplier Name	Evaluated Bid Price (including H.S.T.)
LOT B – PRICE FORM	
Safety Kleen Canada	\$10,034
Petro Canada Lubricants Inc.	No Bid
Shell Canada Products	No Bid

DIVISION CONTACTS

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COMMENTS

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

a. The firm recommended for award is the lowest Supplier meeting specifications or to the highest scoring Supplier 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,

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 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

Michael Pacholok
Chief Procurement Officer