



BID AWARD PANEL CONTRACT AWARD

Award of Ariba Doc. No. 2871224079 to Action Hydraulics Ltd for the non-exclusive supply and delivery, maintenance and repairs to various hydraulic equipment for various City Divisions.

Date: May 27, 2021
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. 2871224079

Description:

For the non-exclusive supply and delivery of skilled labour, materials and parts to perform maintenance and repairs to various hydraulic equipment for the City of Toronto for one (1) year from June 11, 2021, to June 10, 2022, with the option to renew the contracts for four (4) additional separate one (1) year periods.

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 Bidder:

Action Hydraulics Ltd

Contract Award Value:

\$278,569 net of all applicable taxes and charges (incl. 25% Parts Allowance)
\$314,783 including HST and all applicable charges
\$283,472 net of HST recoveries

The contracts are expected to start on June 11, 2021, and end on June 10, 2022

Option Year 1 from June 11, 2022 to June 10, 2023:

\$314,594 net of all applicable taxes and charges
\$355,491 including HST and all applicable charges

\$320,131 net of HST recoveries

Option Year 2 from June 11, 2023 to June 10, 2024:
\$356,694 net of all applicable taxes and charges
\$403,064 including HST and all applicable charges
\$362,972 net of HST recoveries

Option Year 3 from June 11, 2024 to June 10, 2025:
\$397,919 net of all applicable taxes and charges
\$449,648 including HST and all applicable charges
\$404,922 net of HST recoveries

Option Year 4 from June 11, 2025 to June 10, 2026:
\$438,975 net of all applicable taxes and charges
\$496,042 including HST and all applicable charges
\$446,701 net of HST recoveries

The total potential contract award identified in this report including all optional years is \$1,786,750 net of all taxes and \$2,019,028 including all applicable taxes and charges. **The total potential cost to the City including all optional years is \$1,818,197 net of HST recoveries.**

The above cost calculations do not include a CPI adjustment as the Supplier was asked to bid on each individual contract term. A 25% parts allowance has been applied to the initial term and each option year.

FINANCIAL IMPACT

The total contract award identified in this report is \$2,019,028, including all applicable taxes and charges. The cost to the City is \$1,818,197 net of HST recoveries.

Funding for the amount of \$126,567 net of HST recoveries is included in the 2021 Operating Budget for Fleet Services Division. Funding in the amount of \$126,567 net of HST recoveries for the balance of the contract period to June 10, 2022, will be included in the 2022 Operating Budget Submission for Fleet Services Division.

Funding for the amount of \$15,169 net of HST recoveries has been included in the 2021 Operating Budget for Solid Waste Management Services. Funding in the amount of \$15,169 net of HST recoveries for the balance of the contract period to June 10, 2022, will be included in the 2022 Operating Budget Submission for Solid Waste Management Services.

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 2022 – 2026 annual Operating Budget Submissions for each participating Division. Funding details are provided below:

Table 1: Financial Impact Summary, net of HST Recoveries

WBS Element / Group Cost Centre	Initial Year		Option Year 1	Option Year 2	Option Year 3	Option Year 4	Total Contract Term (net of HST Recoveries)
	June 11, 2021 to December 31, 2021	January 1, 2022 to June 10, 2022	June 11, 2022 to June 10, 2023	June 11, 2023 to June 10, 2024	June 11, 2024 to June 10, 2025	June 11, 2025 to June 10, 2026	
Fleet Services FL1006, FL1007, FL1502, FL1503, FL1602, FL1604, FL1606. FL1702 Cost Element 2181 and 4404	\$126,567	\$126,567	\$289,793	\$327,133	\$363,582	\$399,860	\$1,633,502
Solid Waste SW0011 SW0850 SW0851 SW0852 SW0853 SW0854 SW0855 SW0856 SW0860 SW0862 SW0864 Cost Element 4403 and 4424	\$15,169	\$15,169	\$30,337	\$35,839	\$41,340	\$46,841	\$184,694
Total	\$141,736	\$141,736	\$320,131	\$362,292	\$404,922	\$446,701	\$1,818,197

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial implications.

SOLICITATION SUMMARY

Solicitation Issued: March 8, 2021

Solicitation Closed: March 25, 2021

Number of Addenda Issued: 0

Number of Bids: Two (2)

Table 2: Summary of Bids Received for RFQ, Ariba Document No. 2871224079 including total bid price

Supplier Name	Evaluated Bid Price for All Tables* (including H.S.T.)
Action Hydraulics Ltd.	\$ 1,615,222.00
Mactek Technologies Inc.	\$ 2,048,769.10

*Evaluated Bid Price contains the Ariba pricing for all four Option Years in the RFQ. These totals do not include the 25% parts allowance.

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 proponent 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 (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