BID AWARD PANEL
CONTRACT AWARD

Award of Ariba Document Number 3432798775 to National Energy Equipment Inc. for the Provision of Fuel Site Maintenance and Repair Services for Fleet Services

Date: June 23, 2022
To: Bid Award Panel
From: Acting Chief Procurement Officer
Wards: All

RECOMMENDATIONS

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

Solicitation Number:
Request for Quotation, Ariba Document Number 3432798775

Description:
For the non-exclusive supply of all labour, materials, services, supplies, tools, transportation, mileage, equipment and incidentals necessary to perform Fuel Site Maintenance and Repair Services for the City of Toronto's Fleet Services Division for a period of one (1) year from the date of award to June 5, 2023, with the option to renew the contract for four (4) additional separate one (1)-year periods. Should the option(s) be exercised, then the Fleet Services Division will request the Chief Procurement Officer to process the renewals under the same terms and conditions.

Toronto Police Services participated in this competition and will be seeking authority to award contracts to National Energy Equipment Inc. from their Board and will manage the subsequent contracts independently from the City.

Recommended Supplier:
National Energy Equipment Inc.

Contract Award Value:
$240,751 net of all applicable taxes and charges
$272,049 including HST and all applicable charges
$244,988 net of HST recoveries

Contract is expected to start on the date of award and end on June 5, 2023.

A 15% cost allowance is included in the Contract Award Value for each year.

Option Year 1 (June 6, 2023 to June 5, 2024)
$247,974 net of all applicable taxes and charges
$280,210 including all applicable taxes and charges
$252,338 net of HST recoveries

Option Year 2 (June 6, 2024 to June 5, 2025)
$255,413 net of all applicable taxes and charges
$288,616 including all applicable taxes and charges
$259,908 net of HST recoveries

Option Year 3 (June 6, 2025 to June 5, 2026)
$263,075 net of all applicable taxes and charges
$297,275 including all applicable taxes and charges
$267,705 net of HST recoveries

Option Year 4 (June 6, 2026 to June 5, 2027)
$270,967 net of all applicable taxes and charges
$306,193 including all applicable taxes and charges
$275,736 net of HST recoveries

The total potential contract award identified in this report including all option years is $1,444,344 including all applicable taxes and charges and $1,278,180 net of all applicable taxes and charges. **The total potential cost to the City including all option years is $1,300,676 net of HST recoveries.**

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

FINANCIAL IMPACT

The total potential contract award identified in this report is $1,444,344 including all applicable taxes and charges. The total potential cost to the City is $1,300,676 net of HST recoveries.

Funding in the amount of $139,993 net of HST recoveries is included in the 2022 Approved Operating Budget for Fleet Services Division. Funding in the amount of $104,995 net of HST recoveries for the balance of the contract period to June 5, 2023 will be included in the 2023 Operating Budget submission for Fleet Services Division.

Should the City choose to exercise its option to renew for four (4) additional separate one (1)-year periods, then appropriate additional funding, if needed, will be included in the 2023-2027 annual Operating Budget Submissions for Fleet Services Division. Funding details are summarized in Table 1 as follows:

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

Fleet Services Division Fleet Services Operational Budget: FL100 Cost Element: 2181 and 4404	Total
Initial Year Period from Date of Award to December 31, 2022	$139,993
Initial Year Period from January 1, 2023 to June 5, 2023	$104,995
Option Year 1 from June 6, 2023 to December 31, 2023	$143,798
Option Year 1 from January 1, 2024 to June 5, 2024	$108,540
Option Year 2 from June 6, 2024 to December 31, 2024	$148,519
Option Year 2 from January 1, 2025 to June 5, 2025	$111,389
Option Year 3 from June 6, 2025 to December 31, 2025	$152,974
Option Year 3 from January 1, 2026 to June 5, 2026	$114,731
Option Year 4 from June 6, 2026 to December 31, 2026	$157,564
Option Year 4 from January 1, 2027 to June 5, 2027	$118,173
Total Cost from Date of Award to June 5, 2027	$1,300,676

The Chief Financial Officer and Treasurer has reviewed this report and agrees with information included in the Financial Impact section.

SOLICITATION SUMMARY

Solicitation Issued: April 29, 2022 **Solicitation Closed:** May 27, 2022
Number of Addenda Issued: Two (2)
Number of Bids: Three (3)

Table 2: Summary of Bids Received for Ariba Document Number including bid price

Supplier Name	Total (excluding HST)
National Energy Equipment Inc.	$209,349
BGIS Energy & Facility Solutions	$225,066
Albert's Gas Station Maintenance Inc.	$235,040

DIVISION CONTACTS

Justin Lau, Manager, Corporate Services and Finance and Treasury, Purchasing Client Services, Purchasing and Materials Management, 416-392-7316, Justin.Lau@toronto.ca

Hazem Henein, Manager, Fleet Contracts, Fleet Services, 416-338-2173, Hazem.Henein@toronto.ca

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
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> 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. the Solicitation document was advertised on the City’s internet website and bids or proposals were opened publicly on Ariba; and

e. 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

Sandra Lisi
Acting Chief Procurement Officer