



BID AWARD PANEL CONTRACT AWARD

Award of Ariba Document Number 3714174258 to Toromont Material Handling and Cubex Limited for Holders, Karcher, Mathieu, and Madvac Equipment Maintenance and Repair Services for Fleet Services Division.

Date: January 26, 2023
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 contracts:

Solicitation Number:

Request for Quotations, Ariba Document Number 3714174258

Description:

For the non-exclusive supply of all labour, materials, equipment and parts necessary to provide warranty and non-warranty services including scheduled maintenance, service, repair and parts for Holder, Karcher, Mathieu and Madvac equipment owned and operated by the City of Toronto's Fleet Services Division, for a period of one (1) year from February 1, 2023 to January 31, 2024, with an option in favour of the City to extend the contract on the same terms and conditions for an additional term of up to four (4) separate one (1) year periods.

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

Recommended Supplier:

Toromont Material Handling (Lots 1 and 3)

Contract Award Value:

\$1,302,696 net of all applicable taxes and charges (including 15 percent for miscellaneous items)

\$1,472,047 including HST and all applicable charges

\$1,325,624 net of HST recoveries

Contract is expected to start on February 1, 2023 and end on January 31, 2024.

Option Year 1 - From February 1, 2024 to January 31, 2025
\$1,341,777 net of all applicable taxes and charges (including 15 percent for miscellaneous items)
\$1,516,208 including all applicable taxes and charges
\$1,365,392 net of HST recoveries

Option Year 2 – From February 1, 2025 to January 31, 2026
\$1,382,030 net of all applicable taxes and charges (including 15 percent for miscellaneous items)
\$1,561,694 including all applicable taxes and charges
\$1,406,354 net of HST recoveries

Option Year 3 – From February 1, 2026 to January 31, 2027
\$1,423,491 net of all applicable taxes and charges (including 15 percent for miscellaneous items)
\$1,608,545 including all applicable taxes and charges
\$1,448,545 net of HST recoveries

Option Year 4 – From February 1, 2027 to January 31, 2028
\$1,466,196 net of all applicable taxes and charges (including 15 percent for miscellaneous items)
\$1,656,802 including all applicable taxes and charges
\$1,492,001 net of HST recoveries

The above cost calculations include three percent (3%) CPI cost adjustment applied to each term after the initial one (1) year contract period.

The total potential contract award to Toromont Material Handling identified in this report including all option years is \$6,916,191 net of all applicable taxes and charges, and \$7,815,296 including all applicable taxes and charges. **The total potential cost to the City, including all option years, is \$7,037,916 net of HST recoveries.**

Recommended Supplier:

Cubex Limited (Lot 2)

Contract Award Value:

\$194,980 net of all applicable taxes and charges (including 20 percent for miscellaneous items)
\$220,328 including HST and all applicable charges
\$198,412 net of HST recoveries

Contract is expected to start on February 1, 2023 and end on January 31, 2024.

Option Year 1 - From February 1, 2024 to January 31, 2025
\$200,830 net of all applicable taxes and charges (including 20 percent for miscellaneous items)
\$226,937 including all applicable taxes and charges
\$204,364 net of HST recoveries

Option Year 2 – From February 1, 2025 to January 31, 2026
\$206,854 net of all applicable taxes and charges (including 20 percent for miscellaneous items)
\$233,746 including all applicable taxes and charges
\$210,495 net of HST recoveries

Option Year 3 – From February 1, 2026 to January 31, 2027
\$213,060 net of all applicable taxes and charges (including 20 percent for miscellaneous items)
\$240,758 including all applicable taxes and charges
\$216,810 net of HST recoveries

Option Year 4 – From February 1, 2027 to January 31, 2028
\$219,452 net of all applicable taxes and charges (including 20 percent for miscellaneous items)
\$247,981 including all applicable taxes and charges
\$223,314 net of HST recoveries

The above cost calculations include three percent (3%) CPI cost adjustment applied to each term after the initial one (1) year contract period.

The total potential contract award to Cubex Limited identified in this report including all option years is \$1,035,176 net of all applicable taxes and charges, and \$1,169,749 including all applicable taxes and charges. **The total potential cost to the City, including all option years, is \$1,053,395 net of HST recoveries.**

The total potential combined contract awards for both suppliers identified in this report including all optional years is \$7,951,368 net of all applicable taxes and charges, and \$8,985,046 including all applicable taxes and charges. **The total potential cost to the City for both suppliers, including all option years, is \$8,091,312 net of HST recoveries.**

FINANCIAL IMPACT

The total potential combined contract awards for both suppliers identified in this report including all optional years is \$7,951,368 net of all applicable taxes and charges, and \$8,985,046 including all applicable taxes and charges. The total potential cost to the City for both suppliers, including all option years, is \$8,091,312 net of HST recoveries.

Funding in the amount of \$1,397,033 net of HST recoveries is included in the 2023 Tabled Operating Budget for Fleet Services Division. Funding in the amount of \$127,003 net of HST recoveries for the balance of the contract period to January 31, 2024 will be included in the 2024 Operating Budget submission for Fleet Services Division.

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 2024-2028 annual Operating Budget Submission for Fleet Services Division. Funding details are summarized in the Tables below as follows:

Table 1: Financial Impact Summary of Recommended Contracts

Fleet Services Division Fleet Services Operational Budget: FL100 Cost Element: 2181 and 4404	Net of HST recoveries
Initial Year Period from February 1, 2023 to December 31, 2023	\$ 1,397,033
Initial Year Period from January 1, 2024 to January 31, 2024	\$ 127,003
Option Year 1 from February 1, 2024 to January 31, 2025	\$ 1,569,757
Option Year 2 from February 1, 2025 to January 31, 2026	\$ 1,616,849
Option Year 3 from February 1, 2026 to January 31, 2027	\$ 1,665,355
Option Year 4 from February 1, 2027 to January 31, 2028	\$ 1,715,315
Total Contract Value from the date of award to Jan 31, 2028	\$ 8,091,312

The Chief Financial Officer and Treasurer has been provided the financial impacts associated with the programs for review as part of the 2023 budget process.

SOLICITATION SUMMARY

Solicitation Issued: November 08, 2022 **Solicitation Closed:** December 23, 2022

Number of Addenda Issued: Five (5)

Number of Bids: Two (2)

Table 2: Summary of Bids Received including bid price.

Supplier Name	Bid Price (excluding H.S.T.) *		
	Lot 1	Lot 2	Lot 3
Toromont Material Handling	\$753,867.44	No Bid	\$378,911.94
Cubex Limited	No Bid	\$162,483.50	No Bid

*The Bid Price does not include miscellaneous cost.

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. the Solicitation document was advertised on the City's internet website and bids or proposals were submitted electronically in 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