BID AWARD PANEL
CONTRACT AWARD

Award of Ariba Document Number 3742825440 to Nexgen Municipal Inc and Joe Johnson Equipment for the provision of warranty and non-warranty services for Fleet Services

Date: February 23, 2023
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 contracts:

Solicitation Number:
Request for Quotation, Ariba Document Number 3742825440

Description:
For the non-exclusive supply of all labour, materials and equipment necessary to provide warranty and non-warranty services including inspection, Preventative Maintenance, services, repairs and parts for Haul-All, Labrie, Loadmaster, and Kann Refuse Packer Bodies and any attachments that it may have, owned and operated by the City of Toronto's Fleet Services Division, for a period of one (1) year from May 1, 2023 to April 30, 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:
Nexgen Municipal Inc (Lots 1, 4 and 5)

Contract Award Value:
$487,576 net of all applicable taxes and charges (including 25 percent for miscellaneous items)
$550,961 including HST and all applicable charges
$496,158 net of HST recoveries

Contract is expected to start on May 1, 2023 and end on April 30, 2024.

Option Year 1 - From May 1, 2024 to April 30, 2025
$502,204 net of all applicable taxes and charges (including 25 percent for miscellaneous items)
$567,490 including all applicable taxes and charges
$511,042 net of HST recoveries

Option Year 2 – From May 1, 2025 to April 30, 2026
$517,270 net of all applicable taxes and charges (including 25 percent for miscellaneous items)
$584,515 including all applicable taxes and charges
$526,374 net of HST recoveries

Option Year 3 – From May 1, 2026 to April 30, 2027
$532,788 net of all applicable taxes and charges (including 25 percent for miscellaneous items)
$602,050 including all applicable taxes and charges
$542,165 net of HST recoveries

Option Year 4 – From May 1, 2027 to April 30, 2028
$548,771 net of all applicable taxes and charges (including 25 percent for miscellaneous items)
$620,112 including all applicable taxes and charges
$558,430 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 contact award to Nexgen Municipal Inc. identified in this report including all option years is $2,588,609 net of all applicable taxes and charges, and $2,925,128 including all applicable taxes and charges. **The total potential cost to the City, including all option years, is $2,634,168 net of HST recoveries**.

Recommended Supplier:
Joe Johnson Equipment (Lot 3)

Contract Award Value:
$373,154 net of all applicable taxes and charges (including 20 percent for miscellaneous items)
$421,664 including HST and all applicable charges
$379,722 net of HST recoveries

Contract is expected to start on May 1, 2023 and end on April 30, 2024.

Option Year 1 - From May 01, 2024 to April 30, 2025
$384,349 net of all applicable taxes and charges (including 20 percent for miscellaneous items)
$434,314 including all applicable taxes and charges
$391,113 net of HST recoveries

Option Year 2 – From May 01, 2025 to April 30, 2026
$395,879 net of all applicable taxes and charges (including 20 percent for miscellaneous items)
$447,344 including all applicable taxes and charges
$402,847 net of HST recoveries

Option Year 3 – From May 01, 2026 to April 30, 2027
$407,756 net of all applicable taxes and charges (including 20 percent for miscellaneous items)
$460,764 including all applicable taxes and charges
$414,932 net of HST recoveries

Option Year 4 – From May 01, 2027 to April 30, 2028
$419,988 net of all applicable taxes and charges (including 20 percent for miscellaneous items)
$474,587 including all applicable taxes and charges
$427,380 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 contact award to Joe Johnson Equipment identified in this report including all option years is $1,981,127 net of all applicable taxes and charges, and $2,238,673 including all applicable taxes and charges. **The total potential cost to the City, including all option years, is $2,015,994 net of HST recoveries.**

The total potential combined contract awards for both suppliers identified in this report including all optional years is $4,569,735 net of all applicable taxes and charges, and $5,163,801 including all applicable taxes and charges. **The total potential cost to the City for both suppliers, including all option years, is $4,650,163 net of HST recoveries**.

FINANCIAL IMPACT

The total potential combined contract awards for both suppliers identified in this report including all optional years is $4,569,735 net of all applicable taxes and charges, and $5,163,801 including all applicable taxes and charges. The total potential cost to the City for both suppliers, including all option years, is $4,650,163 net of HST recoveries.

Funding in the amount of $583,920 net of HST recoveries is included in the 2023 Tabled Operating Budget for Fleet Services Division. Funding in the amount of $291,960 net of HST recoveries for the balance of the contract period to April 30**,** 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 (net of HST recoveries) to Fleet Services Division

Fleet Services Division Fleet Services Operational Budget: FL100 Cost Element: 2181 and 4404	Net of HST recoveries
Initial Year Period from May 01, 2023 to December 31, 2023	$ 583,920
Initial Year Period from January 01, 2024 to April 30, 2024	$ 291,960
Option Year 1 from May 01, 2024 to April 30, 2025	$ 902,156
Option Year 2 from May 01, 2025 to April 30, 2026	$ 929,220
Option Year 3 from May 01, 2026 to April 30, 2027	$ 957,097
Option Year 4 from May 01, 2027 to April 30, 2028	$ 985,810
Total Contract Value from the date of award to April 30, 2028	$ 4,650,163

Table 2: Combined Financial Impact by Budget Year (Net of HST recoveries)

Fleet Services Operational Budget: FL100 Cost Element: 2181 and 4404						
2023	2024	2025	2026	2027	2028	Total
$ 583,920	$ 291,960	$ 902,156	$ 929,220	$ 957,097	$ 985,810	$ 4,650,163

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

SOLICITATION SUMMARY

Solicitation Issued: December 6, 2022 **Solicitation Closed:** January 23, 2023
Number of Addenda Issued: Two (2)
Number of Bids: Two (2)

Table 3: Summary of Bids Received including bid price.

Supplier Name	Bid Price (excluding H.S.T.) *
Nexgen Municipal Inc (Lot 1)	$ 221,643.14
Joe Johnson Equipment (Lot 3)	$ 310,961.86
Nexgen Municipal Inc (Lot 4)	$ 84,208.95
Nexgen Municipal Inc (Lot 5)	$ 84,208.95

*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

Geneviève Sharkey
Chief Procurement Officer