



BID AWARD PANEL CONTRACT AWARD

Award of Ariba Document Number 3782552477 to Rush Truck Centre of Canada and Mid-Ontario DIESEL LTD for the provision of warranty and overflow non- warranty preventative maintenance and repair services on medium and heavy-duty vehicles for Fleet Services Division

Date: March 2, 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 contract:

Solicitation Number:

Request for Quotation, Ariba Document Number 3782552477

Description:

For the non-exclusive supply of all parts, materials and equipment necessary to provide warranty and overflow non-warranty Original Equipment Manufacturer authorized parts and services on Original Equipment Manufacturer heavy-duty vehicles, for the City of Toronto's Fleet Services Division and Toronto Fire Services for a period of one (1) year from date of the award to February 29, 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 year(s) be exercised, then the General Manager, Fleet Services Division will request the Chief Procurement Officer to process the renewals under the same terms and conditions.

Recommended Supplier:

Rush Truck Centre of Canada (Lot 3 - Isuzu, and Lot 6 - International)

Contract Award Value:

\$343,275 net of all applicable taxes and charges
\$387,900 including HST and all applicable charges
\$349,316 net of HST recoveries

Contract is expected to start on the date of award and end on February 29, 2024.

Option Year 1 - From March 1, 2024 to February 28, 2025
\$ 353,573 net of all applicable taxes and charges
\$ 399,537 including all applicable taxes and charges
\$ 359,796 net of HST recoveries

Option Year 2 – From March 1, 2025 to February 28, 2026
\$ 364,180 net of all applicable taxes and charges
\$ 411,523 including all applicable taxes and charges
\$ 370,589 net of HST recoveries

Option Year 3 – From March 1, 2026 to February 28, 2027
\$ 375,105 net of all applicable taxes and charges
\$ 423,869 including all applicable taxes and charges
\$ 381,707 net of HST recoveries

Option Year 4 – From March 1, 2027 to February 28, 2028
\$ 386,358 net of all applicable taxes and charges
\$ 436,585 including all applicable taxes and charges
\$ 393,158 net of HST recoveries

The total potential contract award to Rush Truck Centre of Canada identified in this report including all option years is \$1,822,491 net of all applicable taxes and charges, and \$2,059,415 including all applicable taxes and charges. **The total potential cost to the City, including all option years is \$1,854,567 net of HST Recoveries.**

Recommended Supplier:

Mid-Ontario DIESEL LTD (Lot 4)

Contract Award Value:

\$174,987 net of all applicable taxes and charges
\$197,735 including HST and all applicable charges
\$178,067 net of HST recoveries

Contract is expected to start on the date of award and end on February 29, 2024.

Option Year 1 - From March 1, 2024 to February 28, 2025
\$180,237 net of all applicable taxes and charges
\$203,667 including all applicable taxes and charges
\$183,409 net of HST recoveries

Option Year 2 – From March 1, 2024 to February 28, 2026
\$185,644 net of all applicable taxes and charges
\$209,778 including all applicable taxes and charges
\$188,911 net of HST recoveries

Option Year 3 – From March 1, 2024 to February 28, 2027
\$191,213 net of all applicable taxes and charges

\$216,071 including all applicable taxes and charges
\$194,578 net of HST recoveries

Option Year 4 – From March 1, 2024 to February 28, 2028August
\$196,950 net of all applicable taxes and charges
\$222,553 including all applicable taxes and charges
\$200,416 net of HST recoveries

The total potential contract award to Mid-Ontario DIESEL LTD identified in this report including all option years is \$929,030 net of all applicable taxes and charges, and \$1,049,804 including all applicable taxes and charges. **The total potential cost to the City, including all option years is \$945,381 net of HST Recoveries.**

The above cost calculations reflect a 25% miscellaneous cost per supplier award for unforeseen factors, and a 3% CPI adjustment applied annually to the yearly cost after the initial year term and reflected in Table 1.

The total potential combined contract awards for all suppliers identified in this report including all optional years, is \$2,751,521 net of all applicable taxes and charges, and \$3,109,219 including all applicable taxes and charges. **The total potential cost to the City, including all optional years is \$2,799,948 net of HST Recoveries.**

FINANCIAL IMPACT

The total contract awards identified in this report is \$3,109,219 including all applicable taxes and charges. The total potential cost to the City is \$2,799,948 net of HST recoveries.

Funding in the amount of \$414,889 net of HST recoveries is included in the 2023 Approved Operating Budget for Fleet Services Division. Funding in the amount of \$82,978 net of HST recoveries for the balance of the contract period to February 29, 2024 will be included in the 2024 Operating Budget submission for Fleet Services Division.

Funding in the amount of \$24,597 net of HST recoveries is included the 2023 Approved Operating Budget for Toronto Fire Services. Funding in the amount of \$4,919 net of HST recoveries for the balance of the contract period to February 29, 2024 will be included in the 2024 Operating Budget submission for Toronto Fire 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 2024-2028 annual Operating Budget Submissions for Fleet Services Division and Fire Services. Funding details are summarized in thr Tables below as follows:

Table 1: Financial Impact Summary of Recommended Contracts (net of HST recoveries)

Fleet Services Division Operational Budget: FL100 Cost Element: 2181 and 4404	Total (net of HST Recoveries)
Initial Year Period From March 1, 2023 to December 31, 2023	\$414,889
Initial Year Period From January 1, 2023 to February 29, 2024	\$82,978
Option Year 1 From March 1, 2024 to December 31, 2024	\$427,336
Option Year 1 From January 1, 2025 to February 28, 2025	\$85,467
Option Year 2 From March 1, 2025 to December 31, 2025	\$440,156
Option Year 2 From January 1, 2026 to February 28, 2026	\$88,031
Option Year 3 From March 1, 2026 to December 31, 2026	\$453,360
Option Year 3 From January 1, 2027 to February 28, 2027	\$90,672
Option Year 4 From March 1, 2027 to December 31, 2027	\$466,961
Option Year 4 From January 1, 2028 to February 28, 2028	\$93,392
Total Cost From March 1, 2023 to February 28, 2028	\$2,643,242

Table 2: Financial Impact Summary of Recommended Contracts (net of HST recoveries)

Toronto Fire Services Operational Budget: FR0025 Cost Element: 2120	Total (net of HST Recoveries)
Initial Year Period From March 1, 2023 to December 31, 2023	\$24,597
Initial Year Period From January 1, 2023 to February 29, 2024	\$4,919
Option Year 1 From March 1, 2024 to December 31, 2024	\$25,335
Option Year 1 From January 1, 2025 to February 28, 2025	\$5,067
Option Year 2 From March 1, 2025 to December 31, 2025	\$26,095
Option Year 2 From January 1, 2026 to February 28, 2026	\$5,219
Option Year 3 From March 1, 2026 to December 31, 2026	\$26,878
Option Year 3 From January 1, 2027 to February 28, 2027	\$5,376
Option Year 4 From March 1, 2027 to December 31, 2027	\$27,684
Option Year 4 From January 1, 2028 to February 28, 2028	\$5,537
Total Cost From March 1, 2023 to February 28, 2028	\$156,706

Table 3: Financial Impact Summary of Recommended Contracts by Budget Year (net of HST recoveries)

Initial Term	2023	2024	2025	2026	2027	2028	Total
Fleet Services Division	\$414,889	\$82,978					\$497,867
Toronto Fire Services	\$24,597	\$4,919					\$29,516

Initial Term	2023	2024	2025	2026	2027	2028	Total
Optional Term	2023	2024	2025	2026	2027	2028	Total
Fleet Services Division		\$427,336	\$525,623	\$541,391	\$557,633	\$93,392	\$2,145,375
Toronto Fire Services		\$25,335	\$31,162	\$32,097	\$33,060	\$5,537	\$127,191
Total	\$439,486	\$540,568	\$556,785	\$573,488	\$590,693	\$98,929	\$2,799,948

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

SOLICITATION SUMMARY

Solicitation Issued: December 15, 2022 **Solicitation Closed:** January 13, 2023
Number of Addenda Issued: Zero (0)
Number of Bids: Three (3)

Table 2: Summary of Bids Received including bid price:

Lot/Bidder	MID-ONTARIO DIESEL LTD	Premier Truck Group*	Rush Truck Centre of Canada**
Lot 1 - Autocar			\$63,859.71 CAD
Lot 2 - Kenworth			\$13,993.58 CAD
Lot 3 - Isuzu	\$57,203.88 CAD		\$48,650.67 CAD
Lot 4 - Mack	\$139,989.69 CAD		\$114,673.66 CAD
Lot 5 - Freightliner		\$473,238.06 CAD	\$141,559.17 CAD
Lot 6 - International			\$225,968.94 CAD
Lot 7 – Elodrado Bus			\$68,320.76 CAD

*Premier Truck Group:
Lot 5 - Bid was deemed non-compliant

**Rush Truck Centre of Canada:
Lot 1,2,4,5 & 7 - Bid was deemed non-compliant

DIVISION CONTACTS

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Gui Andrade, Manager, Fleet Contracts, Fleet Services Division
Telephone: 416-394-8607, Email: gui.andrade@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

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