



BID AWARD PANEL CONTRACT AWARD

Award of Ariba Document Number 3705834628 to Mid Ontario Truck Centre and Kiff Auto for the provision of non-warranty services, maintenance and repair of engines and fuel systems of Compressed Natural Gas powered Natural Gas Vehicles for Fleet Services

Date: May 18, 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 Quotations, Ariba Document Number 3705834628

Description:

For the non-exclusive supply of all labour, materials and equipment necessary to provide non-warranty services including inspection, diagnosis, Preventative Maintenance, service, repair and parts for engines and fuel systems of Compressed Natural Gas powered Natural Gas Vehicles, 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 additional terms of up to four (4) separate one (1) year periods.

Should the option(s) be exercised, 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:

Mid Ontario Diesel Ltd. O/A Mid-Ontario Truck Centre - Lot 1

Contract Award Value:

\$350,384 net of all applicable taxes and charges (including 10 percent for miscellaneous items)

\$395,934 including HST and all applicable charges

\$356,551 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

\$360,896 net of all applicable taxes and charges (including 10 percent for miscellaneous items)

\$407,812 including all applicable taxes and charges

\$367,247 net of HST recoveries

Option Year 2 – From May 1, 2025 to April 30, 2026

\$371,723 net of all applicable taxes and charges (including 10 percent for miscellaneous items)

\$420,047 including all applicable taxes and charges

\$378,265 net of HST recoveries

Option Year 3 – From May 1, 2026 to April 30, 2027

\$382,874 net of all applicable taxes and charges (including 10 percent for miscellaneous items)

\$432,648 including all applicable taxes and charges

\$389,613 net of HST recoveries

Option Year 4 – From May 1, 2027 to April 30, 2028

\$394,360 net of all applicable taxes and charges (including 10 percent for miscellaneous items)

\$445,627 including all applicable taxes and charges

\$401,301 net of HST recoveries

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

The total potential contract award to Mid Ontario Truck Centre identified in this report including all option years is \$1,860,237 net of all applicable taxes and charges, and \$2,102,068 including all applicable taxes and charges. **The total potential cost to the City, including all option years, is \$1,892,977 net of HST recoveries.**

Recommended Supplier:

1106499 Ontario Limited O/A Kiff Auto - Lot 2

Contract Award Value:

\$164,426 net of all applicable taxes and charges (including 20 percent for miscellaneous items)

\$185,802 including HST and all applicable charges

\$167,320 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

\$169,359 net of all applicable taxes and charges (including 20 percent for miscellaneous items)

\$191,376 including all applicable taxes and charges

\$172,340 net of HST recoveries

Option Year 2 – From May 1, 2025 to April 30, 2026

\$174,440 net of all applicable taxes and charges (including 20 percent for miscellaneous items)

\$197,117 including all applicable taxes and charges

\$177,510 net of HST recoveries

Option Year 3 – From May 1, 2026 to April 30, 2027

\$179,673 net of all applicable taxes and charges (including 20 percent for miscellaneous items)

\$203,030 including all applicable taxes and charges

\$182,835 net of HST recoveries

Option Year 4 – From May 1, 2027 to April 30, 2028

\$185,063 net of all applicable taxes and charges (including 20 percent for miscellaneous items)

\$209,121 including all applicable taxes and charges

\$188,320 net of HST recoveries

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

The total potential contact award to Kiff Auto identified in this report including all option years is \$872,961 net of all applicable taxes and charges, and \$986,446 including all applicable taxes and charges. **The total potential cost to the City, including all option years, is \$888,325 net of HST recoveries.**

The total potential combined contract awards for both suppliers identified in this report including all optional years is \$2,733,198 net of all applicable taxes and charges, and \$3,088,514 including all applicable taxes and charges. **The total potential cost to the City for both suppliers, including all option years, is \$2,781,303 net of HST recoveries.**

FINANCIAL IMPACT

The total potential combined contract awards for both suppliers identified in this report including all optional years is \$2,733,198 net of all applicable taxes and charges, and \$3,088,514 including all applicable taxes and charges. The total potential cost to the City for both suppliers, including all option years, is \$2,781,303 net of HST recoveries.

Funding in the amount of \$349,247 net of HST recoveries is included in the 2023 Approved Operating Budget for Fleet Services Division. Funding in the amount of \$174,624 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	Net of HST recoveries
Initial Year Period from May 01, 2023 to December 31, 2023	\$ 349,247
Initial Year Period from January 01, 2024 to April 30, 2024	\$ 174,624
Option Year 1 from May 01, 2024 to April 30, 2025	\$ 539,587
Option Year 2 from May 01, 2025 to April 30, 2026	\$ 555,775
Option Year 3 from May 01, 2026 to April 30, 2027	\$ 572,448
Option Year 4 from May 01, 2027 to April 30, 2028	\$ 589,622
Total Contract Value from the date of award to April 30, 2028	\$ 2,781,303

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

Fleet Services Operational Budget: FL100 Cost Element: 2181						
2023	2024	2025	2026	2027	2028	Total
\$349,247	\$534,348	\$550,379	\$566,890	\$583,897	\$196,541	\$2,781,303

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

SOLICITATION SUMMARY

Solicitation Issued: November 09, 2022 **Solicitation Closed:** January 24, 2023
Number of Addenda Issued: Six (6)
Number of Bids: Six (6)

Table 3: Summary of Bids Received including bid price.

Supplier Name	Bid Price (excluding H.S.T.) * Lot 1	Bid Price (excluding H.S.T.) * Lot 2
Ferris Fuel Systems Inc**	\$290,707.96 CAD	\$131,069.40
Kiff Auto	N/A	\$137,021.86
Metro Truck Group**	\$301,445.22	
Mid-Ontario Truck Centre	\$318,531.08	N/A

Supplier Name	Bid Price (excluding H.S.T.) * Lot 1	Bid Price (excluding H.S.T.) * Lot 2
ORANGEVILLE TRUCK CENTRE INC.	\$334,601.33	N/A

*The Bid Price does not include miscellaneous cost.

**Supplier was non-compliant due to not meeting mandatory requirements

DIVISION CONTACTS

Clarman Yang, Acting Manager, Purchasing Client Services, Purchasing and Materials Management Division

Telephone: 416 392-1302, Email: Clarman.Yang@toronto.ca

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