



BID AWARD PANEL CONTRACT AWARD

Award of Ariba Document Number 3867180767 to Metro Freightliner Hamilton Inc. Operating as Metro Truck Group for Warranty and Non-Warranty Overflow Original Equipment Manufacturer Authorized Parts and Services on Medium-Duty and Heavy-Duty Vehicles for Various City Divisions

Date: August 24, 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 3867180767

Description:

For the non-exclusive supply of all labour, parts, materials, and equipment necessary to provide warranty and overflow non-warranty Original Equipment Manufacturer authorized parts and services on Original Equipment Manufacturer Medium-Duty and Heavy-duty vehicle brands Autocar, Freightliner, Hino, Volvo, Kenworth, and Eldorado National, on an as-and-when-required basis at their facility, for the City of Toronto's Fleet Services Division, Toronto Fire Services and Toronto Paramedic Services, for a period of one (1) year from October 1, 2023 to September 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 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:

Metro Freightliner Hamilton Inc. operating as Metro Truck Group (Lot 1: Autocar, Lot 2: Freightliner, and Lot 3: Hino)

Contract Award Value:

\$627,887 net of all applicable taxes and charges (including 20% miscellaneous amount)

\$709,512 including HST and all applicable charges

\$638,938 net of HST recoveries

Contract is expected to start on October 1, 2023 and end on September 30, 2024.

Option Year 1 (October 1, 2024 to September 30, 2025)

\$646,724 net of all applicable taxes and charges (including 20% miscellaneous amount)

\$730,798 including HST and all applicable charges

\$658,106 net of HST recoveries

Option Year 2 (October 1, 2025 to September 30, 2026)

\$666,125 net of all applicable taxes and charges (including 20% miscellaneous amount)

\$752,722 including HST and all applicable charges

\$677,849 net of HST recoveries

Option Year 3 (October 1, 2026 to September 30, 2027)

\$686,109 net of all applicable taxes and charges (including 20% miscellaneous amount)

\$775,303 including HST and all applicable charges

\$698,185 net of HST recoveries

Option Year 4 (October 1, 2027 to September 30, 2028)

\$706,692 net of all applicable taxes and charges (including 20% miscellaneous amount)

\$798,563 including HST and all applicable charges

\$719,130 net of HST recoveries

The total potential contract award identified in this report including all option years is \$3,766,898 including HST and all applicable charges, and \$3,333,538 net of all applicable taxes and charges. **The total potential cost to the City identified in this report including all option years is \$3,392,208 net of HST recoveries**

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

Mid-Ontario Diesel Ltd. operating as Mid-Ontario Truck Centre is to receive a contract award for Lot 4: Volvo of which they were the lowest Supplier meeting specifications, including all option years, in the total amount of \$432,135 net of all applicable taxes and charges, all in accordance with the Purchasing By-Law 195-8, Toronto Municipal Code Chapter 195 Article 8.1 – Authority to award - Chief Procurement Officer.

FINANCIAL IMPACT

The total potential contract award identified in this report is \$3,766,898 including all applicable taxes and charges. The total potential cost to the City is \$3,392,208 net of HST recoveries.

Funding in the amount of \$143,639 net of HST recoveries is included in the 2023 Approved Operating Budget for Fleet Services Division. Additional funding in the

amount of \$430,917 net of HST recoveries for the balance of the contract period to September 30, 2024, will be included in the 2024 Operating Base Budget Submission for Fleet Services Division.

Funding in the amount of \$8,323 net of HST recoveries is included in the 2023 Approved Operating Budget for Toronto Fire Services Division. Additional funding in the amount of \$24,970 net of HST recoveries for the balance of the contract period to September 30, 2024, will be included in the 2024 Operating Base Budget Submission for Toronto Fire Services Division.

Funding in the amount of \$7,772 net of HST recoveries is included in the 2023 Approved Operating Budget for Toronto Paramedic Services Division. Additional funding in the amount of \$23,316 net of HST recoveries for the balance of the contract period to September 30, 2024, will be included in the 2024 Operating Base Budget Submission for Toronto Paramedic 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 Base Budget Submissions for all participating Divisions. Funding details are summarized in the Tables below:

Table 1: Financial Impact Summary of Recommended Contract (Net of HST Recoveries) for Fleet Services Division

Fleet Services Division Operational Budget: FL100 Cost Element: 2181 and 4404	Total
Initial Year Period October 1, 2023 to December 31, 2023	\$143,639
Initial Year Period January 1, 2024 to September 30, 2024	\$430,917
Option Year 1 October 1, 2024 to December 31, 2024	\$147,948
Option Year 1 January 1, 2025 to September 30, 2025	\$443,845
Option Year 2 October 1, 2025 to December 31, 2025	\$152,387
Option Year 2 January 1, 2026 to September 30, 2026	\$457,160
Option Year 3 October 1, 2026 to December 31, 2026	\$156,958
Option Year 3 January 1, 2027 to September 30, 2027	\$470,875
Option Year 4 October 1, 2027 to December 31, 2027	\$161,667
Option Year 4 January 1, 2028 to September 30, 2028	\$485,001
Total Cost October 1, 2023 to September 30, 2028	\$3,050,397

Table 2: Financial Impact Summary of Recommended Contract (Net of HST Recoveries) for Toronto Fire Services Division

Toronto Fire Services Division Operational Budget: FR0025 Cost Element: 2120	Total
Initial Year Period October 1, 2023 to December 31, 2023	\$8,323
Initial Year Period January 1, 2024 to September 30, 2024	\$24,970
Option Year 1 October 1, 2024 to December 31, 2024	\$8,573
Option Year 1 January 1, 2025 to September 30, 2025	\$25,719

Option Year 2 October 1, 2025 to December 31, 2025	\$8,830
Option Year 2 January 1, 2026 to September 30, 2026	\$26,491
Option Year 3 October 1, 2026 to December 31, 2026	\$9,095
Option Year 3 January 1, 2027 to September 30, 2027	\$27,285
Option Year 4 October 1, 2027 to December 31, 2027	\$9,368
Option Year 4 January 1, 2028 to September 30, 2028	\$28,104
Total Cost October 1, 2023 to September 30, 2028	\$176,759

Table 3: Financial Impact Summary of Recommended Contract (Net of HST Recoveries) for Toronto Paramedic Services Division

Toronto Paramedic Services Division Operational Budget: B41100 Cost Element: 4404	Total
Initial Year Period October 1, 2023 to December 31, 2023	\$7,772
Initial Year Period January 1, 2024 to September 30, 2024	\$23,316
Option Year 1 October 1 2024 to December 31, 2024	\$8,005
Option Year 1 January 1 2025 to September 30, 2025	\$24,016
Option Year 2 October 1 2025 to December 31, 2025	\$8,245
Option Year 2 January 1 2026 to September 30, 2026	\$24,736
Option Year 3 October 1 2026 to December 31, 2026	\$8,493
Option Year 3 January 1 2027 to September 30, 2027	\$25,478
Option Year 4 October 1 2027 to December 31, 2027	\$8,748
Option Year 4 January 1 2028 to September 30, 2028	\$26,243
Total Cost October 1, 2023 to September 30, 2028	\$165,053

Table 4: Financial Impact Summary of Recommended Contracts by Budget Year (Net of HST Recoveries)

Initial Term	2023	2024	2025	2026	2027	2028	Total
Fleet Services	\$143,639	\$430,917					\$ 574,556
Toronto Fire Services	\$8,323	\$24,970					\$ 33,293
Toronto Paramedic Services	\$7,772	\$23,316					\$ 31,088
Optional Term	2023	2024	2025	2026	2027	2028	Total
Fleet Services		\$147,948	\$596,231	\$614,118	\$632,542	\$485,001	\$2,475,841

Optional Term	2023	2024	2025	2026	2027	2028	Total
Toronto Fire Services		\$8,573	\$34,549	\$35,586	\$36,653	\$28,104	\$143,465
Toronto Paramedic Services		\$8,005	\$32,261	\$33,229	\$34,226	\$26,243	\$133,965
Total	\$159,734	\$643,730	\$663,042	\$682,933	\$703,421	\$539,348	\$3,392,208

The Interim Chief Financial Officer and Treasurer has reviewed this report and agrees with the information as presented in the Financial Impact Section.

SOLICITATION SUMMARY

Solicitation Issued: May 10, 2023

Solicitation Closed: June 9, 2023

Number of Addenda Issued: None

Number of Bids: Five (5)

Table 5: Summary of Bids Received including Bid Price

Supplier Name	Bid Price (excluding H.S.T.)
Metro Freightliner Hamilton Inc. operating as Metro Truck Group	Lot 1 - Autocar: \$186,889 Lot 2 - Freightliner: \$226,006 Lot 3 - Hino: \$110,408 Lot 4 - Volvo: No Bid Lot 5 - Kenworth: No Bid Lot 6 - EIDorado National: No Bid
Mid-Ontario Diesel Ltd. operating as Mid-Ontario Truck Centre	Lot 1 - Autocar: No Bid Lot 2 - Freightliner: No Bid Lot 3 - Hino: No Bid Lot 4 - Volvo: \$67,829 Lot 5 - Kenworth: No Bid Lot 6 - EIDorado National: No Bid
Performance Equipment Ltd. operating as Vision Truck Group	Lot 1 - Autocar: No Bid Lot 2 - Freightliner: No Bid Lot 3 - Hino: No Bid Lot 4 - Volvo: \$71,685 Lot 5 - Kenworth: No Bid Lot 6 - EIDorado National: No Bid

Supplier Name	Bid Price (excluding H.S.T.)
Pag Canadian Holdings operating as Premier Truck Group	Lot 1 - Autocar: No Bid Lot 2 - Freightliner: \$258,021 Lot 3 - Hino: No Bid Lot 4 - Volvo: No Bid Lot 5 - Kenworth: No Bid Lot 6 - Eldorado National: No Bid
Ontario Hino Ltd. operating as Somerville Hino	Lot 1 - Autocar: No Bid Lot 2 - Freightliner: No Bid Lot 3 - Hino: \$110,842 Lot 4 - Volvo: No Bid Lot 5 - Kenworth: No Bid Lot 6 - Eldorado National: No Bid

DIVISION CONTACTS

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Gui Andrade, Manager, Fleet Contracts, Fleet Services Division, 416-394-8607, 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