



BID AWARD PANEL CONTRACT AWARD

Award of Doc4017497897 to Scotia Tire and Alignment Services Ltd. and Benson Group Inc. for Supply and Delivery of Tire Services, Retreading, Supply of New Rims and Casings, Storage, and Rim Refurbishing Services for Various Divisions

Date: July 11, 2024
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 Doc4017497897

Description:

For the non-exclusive supply of all labour, materials equipment, and parts necessary for the supply and delivery of tire services, retreading, supply of new rims and casings, storage and rim refurbishing services as and when required by the City of Toronto's Participating Divisions, for a period of one (1) year from date of award to June 30, 2025, with an option in favour of the City to extend the contract on the same terms and conditions for an additional term of 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 Suppliers:

Scotia Tire and Alignments Services Ltd. operating as Tirecraft (Lots 1-5)
Benson Group Inc. operating as Benson Tire (Lot 6)

Contract Award Value:

Scotia Tire and Alignments Services Ltd. operating as Tirecraft (Lots 1-5)

\$1,718,787 net of all applicable taxes and charges (including 20 percent for miscellaneous items)

\$1,942,230 including HST and all applicable charges

\$1,749,038 net of HST recoveries

The contract is expected to start on date of award and end on June 30, 2025.

Option Year 1 - Date of Award to June 30, 2026

\$1,770,351 net of all applicable taxes and charges (including 20 percent for miscellaneous items)

\$2,000,496 including HST and all applicable charges

\$1,801,509 net of HST recoveries

Option Year 2 – July 1, 2026 to June 30, 2027

\$1,823,461 net of all applicable taxes and charges (including 20 percent for miscellaneous items)

\$2,060,511 including HST and all applicable charges

\$1,855,554 net of HST recoveries

Option Year 3 – July 1, 2027 to June 30, 2028

\$1,878,165 net of all applicable taxes and charges (including 20 percent for miscellaneous items)

\$2,122,327 including HST and all applicable charges

\$1,911,221 net of HST recoveries

Option Year 4 – July 1, 2028 to June 30, 2029

\$1,934,510 net of all applicable taxes and charges (including 20 percent for miscellaneous items)

\$2,185,996 including HST and all applicable charges

\$1,968,558 net of HST recoveries

The total potential contract award to including all option years is \$10,311,561 including HST and all applicable charges, and \$9,125,275 net of all applicable taxes and charges, and. **The total potential cost to the City for Scotia Tire and Alignments Services Ltd. operating as Tirecraft, including all option years, is \$9,285,880 net of HST recoveries.**

Benson Group Inc. operating as Benson Tire (Lot 6)

\$607,390 net of all applicable taxes and charges (including 20 percent for miscellaneous items)

\$686,351 including HST and all applicable charges

\$618,080 net of HST recoveries

The contract is expected to start on date of award and end on June 30, 2025.

Option Year 1 - July 1, 2025 to June 30, 2026

\$625,612 net of all applicable taxes and charges (including 20 percent for miscellaneous items)

\$706,941 including HST and all applicable charges

\$636,622 net of HST recoveries

Option Year 2 – July 1, 2026 to June 30, 2027

\$644,380 net of all applicable taxes and charges (including 20 percent for miscellaneous items)
\$728,149 including HST and all applicable charges
\$655,721 net of HST recoveries

Option Year 3 – July 1, 2027 to June 30, 2028
\$663,711 net of all applicable taxes and charges (including 20 percent for miscellaneous items)
\$749,994 including HST and all applicable charges
\$675,393 net of HST recoveries

Option Year 4 – July 1, 2028 to June 30, 2029
\$683,623 net of all applicable taxes and charges (including 20 percent for miscellaneous items)
\$772,494 including HST and all applicable charges
\$695,655 net of HST recoveries

The total potential contract award including all option years is \$3,643,929 including HST and all applicable charges, and \$3,224,716 net of all applicable taxes and charges. **The total potential cost to the City for Benson Group Inc. operating as Benson Tire, including all option years, is \$3,281,471 net of HST recoveries.**

The total potential contract award including all option years for all awards is \$13,955,490 including HST and all applicable charges, and \$12,349,991 net of all applicable taxes and charges. **The total potential cost to the City for all awards including all option years is \$12,567,351 net of HST recoveries.**

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

FINANCIAL IMPACT

The total potential combined contract awards for the suppliers identified in this report including all optional years is \$12,349,991 net of all applicable taxes and charges, and \$13,955,490 including all applicable taxes and charges. The total potential cost to the City for both suppliers, including all option years, is \$12,567,351 net of HST recoveries.

Funding in the amount of \$1,042,883 net of HST recoveries is included in the 2024 Operating Budget for Fleet Services Division. Funding in the amount of \$1,042,883 net of HST recoveries for the balance of the contract period to June 30, 2025, will be requested in the 2025 Operating Budget Submission for Fleet Services Division.

Funding in the amount of \$80,753 net of HST recoveries is included in the 2024 Operating Budget for Toronto Fire Services Division. Funding in the amount of \$80,753 net of HST recoveries for the balance of the contract period to June 30, 2025 will be requested in the 2025 Operating Budget Submission for Toronto Fire Services Division.

Funding in the amount of \$59,923 net of HST recoveries is included in the 2024 Operating Budget for the Toronto Paramedic Services Division. Funding in the amount

of \$59,923 net of HST recoveries for the balance of the contract period to June 30, 2025 will be requested in the 2025 Operating 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 requested in the 2025-2029 annual Operating Budget Submissions for participating City Divisions. 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 (Lots 1, 3 and 6)

Fleet Services Division Fleet Services Operational Budget: FL100 Cost Element: 2135 and 4423	Total
Initial Year Period from Date of Award to December 31, 2024	\$1,042,883
Initial Year Period from January 1, 2025 to June 30, 2025	\$1,042,883
Option Year 1 from July 1, 2025 to June 30, 2026	\$2,148,338
Option Year 2 from July 1, 2026 to June 30, 2027	\$2,212,788
Option Year 3 from July 1, 2027 to June 30, 2028	\$2,279,172
Option Year 4 from July 1, 2028 to June 30, 2029	\$2,347,547
Total Cost from Date of Award to June 30, 2029	\$11,073,611

Table 2: Financial Impact Summary of Recommended Contract (Net of HST Recoveries) to Toronto Fire Services Division (Lots 2 and 5)

Toronto Fire Services Division Toronto Fire Services Operational Budget: FR0025 Cost Element: 4423	Total
Initial Year Period from Date of Award to December 31, 2024	\$80,753
Initial Year Period from January 1, 2025 to June 30, 2025	\$80,753
Option Year 1 from July 1, 2025 to June 30, 2026	\$166,351
Option Year 2 from July 1, 2026 to June 30, 2027	\$171,342
Option Year 3 from July 1, 2027 to June 30, 2028	\$176,482
Option Year 4 from July 1, 2028 to June 30, 2029	\$181,776
Total Cost from Date of Award to June 30, 2029	\$857,457

Table 3: Financial Impact Summary of Recommended Contract (Net of HST Recoveries) to Toronto Paramedic Services Division (Lot 4)

Toronto Paramedic Services Division Toronto Paramedic Operational Budget: B41100 Cost Element: 4404	Total
Initial Year Period from Date of Award to December 31, 2024	\$59,923
Initial Year Period from January 1, 2025 to June 30, 2025	\$59,923
Option Year 1 from July 1, 2025 to June 30, 2026	\$123,442
Option Year 2 from July 1, 2026 to June 30, 2027	\$127,145
Option Year 3 from July 1, 2027 to June 30, 2028	\$130,960

Toronto Paramedic Services Division Toronto Paramedic Operational Budget: B41100 Cost Element: 4404	Total
Option Year 4 from July 1, 2028 to June 30, 2029	\$134,889
Total Cost from Date of Award to June 30, 2029	\$636,283

Table 4: Combined Financial Impact by Budget Year (Net of HST Recoveries)

City's Operational Budget: FL100/ FR0025/ B41100 Cost Elements: 2135, 4423, 4404						
2024	2025	2026	2027	2028	2029	Total
\$1,183,559	\$2,402,625	\$2,474,703	\$2,548,945	\$2,625,413	\$1,332,106	\$12,567,351

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

SOLICITATION SUMMARY

Solicitation Issued: November 20, 2023

Solicitation Closed: January 19, 2024

Number of Addenda Issued: Six (6)

Number of Bids: Five (5)

Table 5: Summary of Bids Received for Lots 1-5 including bid price

Supplier Name	Bid Price (excluding H.S.T.) *
Scotia Tire and Alignments Services Ltd. operating as Tirecraft	\$1,432,323
Goodyear Canada Inc.	\$1,509,346
Kal Tire	\$1,594,749

Table 6: Summary of Bids Received for Lot 6 including bid price

Supplier Name	Bid Price (excluding H.S.T.) *
Benson Group Inc. operating as Benson Tire	\$506,158
Fountain Tire (Cambridge) Ltd.	\$718,591
Scotia Tire and Alignments Services Ltd. operating as Tirecraft	\$944,650

Supplier Name	Bid Price (excluding H.S.T.) *
Goodyear Canada Inc.	\$1,209,700

*The Bid Price does not include the 20 percent for miscellaneous items.

DIVISION CONTACTS

Francesco McGrillis, Acting Manager, Purchasing Client Services, Purchasing and Materials Management Division

Telephone: 416-392-0205, Email: Francesco.McGrillis@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