TORONTO

BID AWARD PANEL CONTRACT AWARD

Award of Doc4456330887 to Power Station Ltd. and Northern Generator Company Ltd. for Provision of Repair and Maintenance Services for Emergency Generators for select City of Toronto Divisions

Date: July 18, 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 Doc4456330887

Description:
For the maintenance of Emergency Generators all in strict accordance with original equipment manufacturer specifications and best trade practices to maintain the equipment as new condition, to the highest industry standards, for the following Divisions:

1. Corporate Real Estate Management
2. Senior Services and Long-Term Care
3. Solid Waste Management Services

The award is for an initial contract period of three (3) years from August 1, 2024 to July 31, 2027, 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 two (2) separate one (1)-year periods.

Should the option(s) be exercised, the Divisions will request the Chief Procurement Officer to process the renewals under the same terms and conditions.

Recommended Supplier:
Power Station Ltd. (Primary)
Northern Generator Company Ltd. (Secondary)

Contract Award Value:
Power Station Ltd. (Primary)

$2,972,290 net of all applicable taxes and charges
$3,358,687 including HST and all applicable charges
$3,024,602 net of HST recoveries

Contract is expected to start on August 1, 2024 and end on July 31, 2027.

Option Year 1 (August 1, 2027 to July 31, 2028)
$1,020,486 net of all applicable taxes and charges
$1,153,149 including HST and all applicable charges
$1,038,447 net of HST recoveries

Option Year 2 (August 1, 2028 to July 31, 2029)
$1,051,101 net of all applicable taxes and charges
$1,187,744 including HST and all applicable charges
$1,069,600 net of HST recoveries

The total potential contract award including both option years is $5,043,876 net of all applicable taxes and charges and $5,699,580 including HST and all applicable charges. **The total potential contract cost, including both option years, to the City for Power Station Ltd. is $5,132,649 net of HST recoveries.**

Northern Generator Company Ltd.
$2,010,495 net of all applicable taxes and charges
$2,271,859 including HST and all applicable charges
$2,045,880 net of HST recoveries

Contract is expected to start on August 1, 2024 and end on July 31, 2027.

Option Year 1 (August 1, 2027 to July 31, 2028)
$690,270 net of all applicable taxes and charges
$780,005 including HST and all applicable charges
$702,419 net of HST recoveries

Option Year 2 (August 1, 2028 to July 31, 2029)
$710,978 net of all applicable taxes and charges
$803,405 including HST and all applicable charges
$723,491 net of HST recoveries

The total potential contract award including both option years is $3,411,743 net of all applicable taxes and charges and $3,855,269 including HST and all applicable charges. **The total potential contract cost, including both option years, to the City for Northern Generator Company Ltd. is $3,471,789 net of HST recoveries.**

The total potential contact award to both Suppliers, including both option years, identified in this report is $8,455,619 net of all applicable taxes and charges and $9,554,850 including HST and all applicable charges. **The total potential contract cost, including both option years, to the City for all awards is $8,604,438 net of HST recoveries.**

The above cost calculations for the Option Years reflect an estimated annual three (3) percent increase as per Consumer Price Index after the initial three (3)-year contract period.

FINANCIAL IMPACT

The total potential contact award to both suppliers identified in this report including both option years is $8,455,619 net of all applicable taxes and charges, and $9,554,850 including all applicable taxes and charges. The total potential cost to the City, including both option years is $8,604,438 net of HST recoveries.

Funding is available in the 2024 Operating Budgets for all participating divisions and additional funding will be included in their 2025-2027 Operating Budget Submissions. Should the City exercise the option(s) to renew for an additional two (2) separate one (1)-year periods, then appropriate additional funding will be included in their 2027-2029 Operating Budget Submissions. Additional funding details follow in Table 1 below.

Table 1: Financial Impact Summary of Recommended Contract (Net of HST Recoveries)

Division	**WBS Account/ Cost Centre**	**GL Account**	**August 1, 2024 to December 31, 2024**	**January 1, 2025 to December 31, 2025**	**January 1, 2026 to December 31, 2026**	**January 1, 2027 to July 31, 2027**	**Option Year 1 August 1, 2027 to September 31, 2028**	**Option Year 2 August 1, 2028 to September 31, 2029**	**Total**
Corporate Real Estate Management	FA100-30.S	4410	$441,059	$1,058,542	$1,058,542	$617,483	$1,090,299	$1,123,008	$5,388,933
Seniors Services and Long-Term Care	D3*061, D3Z991	4407, 4699, 2999	$237,734	$570,562	$570,562	$332,828	$587,679	$605,309	$2,904,675
Solid Waste Management Services	SW0862, SW0860, SW0011	4410 for SW0011 4424 for SW0860 & SW0862	$25,440	$61,056	$61,056	$35,616	$62,888	$64,774	$310,830
Total			**$704,234**	**$1,690,160**	**$1,690,160**	**$985,927**	**$1,740,865**	**$1,793,091**	**$8,604,438**

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

SOLICITATION SUMMARY

Solicitation Issued: March 15, 2024 **Solicitation Closed:** April 11, 2024
Number of Addenda Issued: None
Number of Bids: Two (2)

Table 2: Summary of Bids Received including bid price

Supplier Name	Bid Price (excluding H.S.T.)*
Power Station Ltd.**	$1,376,060
Northern Generator Company Ltd.***	$1,396,177

* Bid Price is based on the quantity for the first year and does not include 20% contingency amount.
** Primary Supplier
*** Secondary Supplier
**** Pursuant to the Request for Quotation document, the Primary Supplier will be awarded 60% of the overall contract value, the Secondary Supplier will be awarded 40% of the overall contract value in this report.

DIVISION CONTACTS

Francesco McGrillis, Acting Manager, Purchasing Client Services, Purchasing and Materials Management, Telephone: 416-392-0205, Email: Francesco.McGrillis@toronto.ca

Scott Helsel, Manager, Facilities Sourcing, Corporate Real Estate Management, Telephone: 647-473-6170, Email: Scott.Helsel@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
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> 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