BID AWARD PANEL CONTRACT AWARD

Award of Doc4447613860 to Spartan Athletic Products Limited for Non-Exclusive Supply and Delivery of Fitness Equipment to Purchasing and Materials Management (Stores)

Date: August 22, 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 contracts:

Solicitation Number:
Request for Quotation Doc4447613860

Description:
For the non-exclusive supply and delivery of Fitness Equipment for Purchasing and Materials Management (Stores) from the date of award to July 31, 2025, with the option to renew the Contract for one (4) additional separate option year periods at the sole discretion of the City and subject to budget approval(s).

The Request for Quotation is structured to award contract to the supplier with the lowest bid meeting specifications and providing the lowest total bid price of the Pricing Form.

Prior to the renewal of the contract, Purchasing and Materials Management Division will perform a market analysis to verify the current market conditions as compared to the proposed increase by the vendor and that the Stores Division will monitor Supplier performance during the first term of the contract.

Should the option year(s) be exercised, then the Manager of Materials Management and Stores will request the Chief Procurement Officer to process the renewals under the same terms and conditions.

Recommended Supplier:
Spartan Athletic Products Limited

Contract Award Value:
$844,627 net of all applicable taxes and charges (including 20% for miscellaneous items and $70,000 contingency)
$954,429 including HST and all applicable charges
$859,493 net of HST recoveries

Contract is expected to start on date of award and end on July 31, 2025.

Option Year 1 (August 1, 2025 to July 31, 2026)
$867,866 net of all applicable taxes and charges (including 20% for miscellaneous items and $70,000 contingency)
$980,689 including all applicable taxes and charges
$883,141 net of HST recoveries

Option Year 2 (August 1, 2026 to July 31, 2027)
$891,802 net of all applicable taxes and charges (including 20% for miscellaneous items and $70,000 contingency)
$1,007,736.59 including all applicable taxes and charges
$907,498 net of HST recoveries

Option Year 3 (August 1, 2027 to July 31, 2028)
$916,456 net of all applicable taxes and charges (including 20% for miscellaneous items)
$1,035,596 including all applicable taxes and charges
$932,586 net of HST recoveries

Option Year 4 (August 1, 2028 to July 31, 2029)
$941,850 net of all applicable taxes and charges (including 20% for miscellaneous items)
$1,064,291 including all applicable taxes and charges
$958,427 net of HST recoveries

The total potential combined contract award identified in this report including option years is $4,462,602 net of all applicable taxes and charges, $4,963,641 including all applicable taxes and charges. **The total potential cost to the City including option years is $4,541,144 net of HST recoveries.**

The above cost calculations reflect a 3% Consumer Price Index adjustment applied annually to each year's cost after the initial one (1) year period.

FINANCIAL IMPACT

The total potential contract award identified in this report including the option years is $5,042,741 including all applicable taxes and charges. The total potential cost to the City including the option years is $4,541,144 net of HST recoveries.

The materials on this contract will be purchased for PMMD Stores inventory purposes. The material value will be held in inventory holding Balance Sheet accounts (160004, 160026, 160049, 160067, 160068, 160082, 160083, 160085,160171) until City Divisions require the material to support their work programs at which time the material value is charged to the appropriate Divisions' operating budgets.

Funding from the date of award to December 31, 2024 has been included in the appropriate Divisions' 2024 Operating Budgets, and additional funding for the balance of the initial contract term will be included in their 2025 Operating Budget Submissions. Should all the option years be exercised, appropriate additional funding will be requested in the 2025-2029 Operating Budget Submissions. The details are as follows:

Table 1: Financial Impact Summary of Recommended Contract

Period	Balance Sheet Account 160004, 160026, 160049, 160067, 160068, 160082, 160083, 160085,160171	Total (net of HST Recoveries)
Date of Award – December 31, 2024	$572,995	
January 1, 2025 – April 30, 2025	$286,498	
Total: Contract Period	$859,493	
Total: 2024 Budget Year	$572,995	$572,995
May 1, 2025 – December 31, 2025	$588,761	
January 1, 2026 – April 30, 2026	$294,380	
Total: Option Year 1	$883,141	
Total: 2025 Budget Year	$875,258	$875,258
May 1, 2026 – December 31, 2026	$604,499	
January 1, 2027 – April 30, 2027	$302,499	
Total: Option Year 2	$907,498	
Total: 2026 Budget Year	$899,379	$899,379
May 1, 2027 – December 31, 2027	$621,724	
January 1, 2028 – April 30, 2028	$310,862	
Total: Option Year 3	$932,586	
Total: 2027 Budget Year	$924,223	$924,223
May 1, 2028– December 31, 2028	$638,951	
January 1, 2029 – April 30, 2029	$319,476	
Total: Option Year 4	$958,427	
Total: 2028 Budget Year	$949,813	$949,813
Total: 2029 Budget Year	$319,476	$319,476
Grand Total	$4,541,144	$4,541,144

The 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: March 28, 2024 **Solicitation Closed:** May 31, 2024
Number of Addenda Issued: Four (4)
Number of Bids: Five (5)

Table 2: Summary of Bid Received including bid price

Supplier Name	Bid Price (excluding H.S.T.)
366 Degree Fitness Inc**	
BeamcregScar**	
Johnson Health Technologies Canada**	
Liv Unltd**	
Spartan	$645,522.90*

*Bid Price does not contain the 20% miscellaneous items and $70,000 contingency for repairs
** Suppliers were non-compliant as they did not submit price

DIVISION CONTACTS

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COMMENTS

For the recommended contract award, the following requirements have been met:

a. the firm recommended for award is the Supplier with the lowest bid meeting specifications or 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