

1. Instructions to Pricing

- .1 Detailed instructions on how to complete the Pricing Proposal Form can be found in the Instructions tab of the Pricing Proposal Form – Appendix C.4.
- .2 For each Contract Area the Supplier is submitting a Response to in the Pricing Proposal Form, each Contract Area tab should be completed in its entirety (the cells highlighted in yellow).
- .3 The City will consider yellow cells left blank or that have unclear answers (such as "-", "tba" or "included" etc.) for each Contract Area the Supplier is submitting a Response to in the Pricing Proposal Form as "Not Applicable or N/A" or as zero cost/no charge to the City.
- .4 Supplier prices that are intended to be zero cost/no charge to the City are to be submitted in the space provided in the price schedule as "\$0.00" or "zero".
- .4 All pricing provided must be inclusive of all fees, expenses, costs, duties and taxes for the complete performance of the Contract with the exception of HST which shall be excluded from pricing.
- .5 Suppliers are not to base their Pricing Proposal Form upon unilateral or undisclosed assumptions or conditions which, if not true, would render the Supplier's pricing inapplicable or subject to change.

2. Payment Terms

- .1 Propose payment terms for Core Pricing. The City's standard payment terms are 30 days from the receipt of the invoice. The final payment terms may be subject to further negotiation.

3. Evaluation of Pricing

3.1 Pricing Proposal Content

- .1 In Stage 4, the City will evaluate the Pricing Proposal Form, refer to Appendix C.4 – Pricing Proposal Form, for Suppliers that have passed the evaluation Stage 1, Stage 2 and Stage 3 as described in Part 4.
- .2 Pricing evaluation will consist of an individualized evaluation and price score for each Contract Area. Please complete and submit the Pricing Proposal Form in the excel format provided, refer to Appendix C.4 – Pricing Proposal Form.
- .3 The pricing submitted will be used in the first winter seasons of the Contract (i.e. October 2022 – April 2023). The pricing submitted will be used to estimate a total cost per Contract Area in the first year of the Contract. For the purposes of evaluation and award authorization only, there will be a 3% annual escalation adjustment applied to estimated annual cost for all remaining contract years.
- .4 To be evaluated and considered for a Contract Area, Suppliers must complete and submit one (1) Pricing Proposal Form with responses on the equipment and pricing tabs for each Contract Areas they are submitting a Response for in addition to additional unit rates that will be used for all Contract Areas.
- .5 The following details the components must be submitted as part of the Pricing Proposal Form. Further instructions on how submit this information is included within the Pricing Proposal Form.

.1 Equipment Details (Equipment tabs by Contract Area)

- List of each piece of equipment that will be used and the activities and infrastructure types that it will be used for.
- Equipment will be proposed per Contract Area for which a Response is submitted. The same piece of equipment should not be used across Contract Areas.
- Spare equipment **should not** be included in the Pricing Proposal Form.

.2 Daily Rate (Pricing tabs by Contract Area)

- Cost components that make up the Daily Rate for each applicable equipment type must be detailed including equipment purchase/lease cost, maintenance costs, operator costs, and depot operations costs. Any additional costs included in the Daily Rate must be included in other costs per the Pricing Proposal Form. The cost components must sum to the total Daily Rate.
- Although cost components are requested per equipment type, only the Daily Rate per equipment type will be used in billing.
- The cost components that sum to the Daily Rate cost must be provided for each type of equipment per Contract Area for which a Response is submitted.
- Where other costs have been proposed, a brief written description of the other cost and breakdown must be provided.

.3 Operating Rate (Pricing tabs by Contract Area)

- The Operating Rate shall include cost for operator, fuel and light maintenance when engaged in Operations.
- An hourly Operating Rate must be provided per Contract Area where a response is submitted for each type of equipment proposed in that Contract Area.
- Operator salary and carrying costs **should not** be included in this rate.

.4 Additional Unit Rates

- Additional unit rates are requested per quantities indicated in the Pricing Proposal Form. Quantities are an estimate that will be used for each Contract Area and are subject to change.
- Supplier shall only complete pricing for additional unit rates pricing once. This will be used for all Contract Areas.

.5 Volume Discount

- Suppliers may choose to propose volume discounts that will be applied based on the City's total spend each Winter Season per the defined spend ranges. The applicable volume discount will be calculated at the end of each Winter Season based on the City's total spend across all Contract Areas with the Supplier.
- The volume discount will be applied against the invoices in the following Winter Season.
- Example of Volume Discount application:** An arbitrary example of proposed volume discounts has been indicated in the cells highlighted in yellow and described below for the purpose of illustrating the volume discount application.

Annual Spend (across all Contract Areas)	Example of % Volume Discounts Proposed by Supplier
Less than \$5M	0.5%
\$5M – Less than \$10M	1%
\$10M – Less than \$15M	2%
\$15M – Less than \$20M	3%
\$20M and greater	4%

Example Described:

- If the City's spend in the 2022-2023 Winter Season is \$12M across all Contract Areas with the Supplier, a 2% volume discount will be calculated off the \$12M at the end of the Winter Season.
- The calculated discount will then be applied against the invoices at the start of the 2023-2024 Winter Season.

3.2 Pricing Proposal Evaluation

- .1 Based on the pricing submitted in the Pricing Proposal Form, a total annual cost per Contract Area will be calculated for the first year of the Contract. This will be used for evaluation purposes only and will be calculated as follows:

.1 Total Daily Rate cost per year per Contract Area

The following formula will be used to calculate the total Daily Rate cost per year. This will be summed for all equipment types proposed.

*Total Daily Rate cost per year per Contract Area per equipment type =
 (Number of equipment x Number of Days at depot x Daily Rate)*

The following number of estimated days at depot per activity type identified in Table 1 will be used for the purpose of this calculation. This is an estimate only for the purpose of evaluation.

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Table 1: Estimated number of days at depot per Activity Type

Activity Type	Estimated Number of Days at Depot
Direct Liquid Application	183
Salting	151
Plowing	121
Driveway Windrow Opening	121
Snow Removal	121

If a piece of equipment is used for multiple activities, the greater number of days will be used to calculate the total Daily Rate.

.2 Total Operating Rate cost per year per Contract Area

The following formula will be used to calculate the total Operating Rate cost per year. This will be summed for all types of equipment proposed.

Total Operating Rate cost per year per Contract Area per equipment type = (Number of equipment X sum of estimated hours by indicated activity/infrastructure type combinations X Operating Rate)

The following estimated hours by activity and infrastructure type identified in Table 2 will be used for the purpose of this calculation. This is an estimate only for the purpose of evaluation.

Table 2: Estimated Hours/Activity Type

Activity Type	Infrastructure Type	Estimated Hours Per Season
Direct Liquid Application	Expressway	144
Direct Liquid Application	Arterial/Collectors	144
Salting	Expressway	140
Salting	Arterial	280
Salting	Collector	280
Salting	Local	216
Salting	Sidewalk	0
Salting	Separated Cycling	0
Salting	Bus Stop, PXO, Signals	0
Plowing	Expressway	32
Plowing	Arterial	96
Plowing	Collector	64
Plowing	Local	84
Plowing	Sidewalk	300
Plowing	Separated Cycling	300

Plowing	Bus Stop, PXO, Signals	300
Driveway Windrow Opening	Arterial	96
Driveway Windrow Opening	Collector	64
Driveway Windrow Opening	Local	84
Snow Removal		100

Additional unit rates cost per year

The following formula will be used to calculate the additional unit rates. This will be summed for all additional unit rates to get an estimated additional unit rate cost per year that will be used for each Contract Area.

Additional unit rates cost per year = Quantity x Unit Rate Price/Item

.3 Total annual cost per Contract Area

The following formula will be used to calculate the total price per Contract Area:

*Total annual cost per Contract Area =
(Total Daily Rate cost/year + Total Operating Rate cost/year + Additional unit rates cost/year)*

.5 For evaluation purposes, a volume discount score will be calculated based on favourability of discounts proposed. This score will be used across Contract Areas included in Suppliers Response. The volume discount score will be calculated as follows:

Volume discount score = Sum product (max of volume discount spend range, discount proposed per spend range)

.6 The total annual cost per Contract Area and the volume discount score will be used to calculate a score out of 100 for each Contract Area per Table 4.

Table 3: Pricing Evaluation

Pricing Evaluation (Stage 4)	Weighting
Total Cost per Contract Area	90
Volume Discount Score	10
Total Pricing Evaluation	100

.7 Each Supplier will receive a percentage of the total possible points allocated to price based on pricing evaluation and volume discount weightings, which will be calculated as follows by Contract Area:

Weighted total price score per Contract Area: Lowest annual cost per Contract Area / Supplier's total annual cost per Contract Area x 90

Weighted volume discount score: Supplier's volume discount score / Highest volume discount score x 10

Total Pricing Evaluation Score: Weighted total price score per Contract Area + Weighted volume discount score

4. Pricing Form

The Pricing Form is found in Appendix C.4 titled "Appendix C.4 - Pricing Proposal Form".