

**MEETING DATE:** April 10, 2002

**SUBJECT:** Procurement Authorization - Rental Of Trucks With Operators

### **RECOMMENDATION**

It is recommended that the Commission approve the issuance of a purchase order to Tri-Nacc Construction Limited in the upset limit amount of \$470,000 including applicable taxes for the rental of heavy haulage trucking with operators on an as required basis for the period April 16, 2002 to April 30, 2005.

### **FUNDING**

Funding for this service has been included in the 2002 TTC Operating Budget. Funding for 2003, 2004 and 2005 and will be included in future Operating Budgets as required.

### **BACKGROUND**

The Commission has a continuing need for a heavy haulage service. The equipment is used for hauling sand, salt, refuse disposal, excavated material and for the movement of construction materials. The current contract for this service is due to expire on April 15, 2002.

### **DISCUSSION**

Twelve companies were invited to submit tenders, in addition to the public advertisement on the Commission's Web site on January 23, 2002 out of which five companies submitted tenders, as summarized in Appendix 'A'.

The tenders were required to provide pricing for tandem axle trucks with operators and tri-axle trucks with operators based on estimated number of hours for each of the three years of the contract for both regular working days as well as weekend work.

Tri-Nacc Construction Limited submitted the lowest overall tendered price and did not state any exceptions or qualifications. As they have not previously supplied this service to the Commission, staff reviewed the references provided by Tri-Nacc Construction Limited and found them to be acceptable. They have 3 tandem axle trucks and 17 tri-axle trucks which they own, that will be available to the Commission.

Tri-Nacc Construction's hourly pricing for year one of the contract is approximately 5.5% higher than the current contract price.

Tri-Nacc Construction's total tendered price is only \$843 lower than the second lowest bidder (Mavis Garden), but is based on a minimum usage requirement of 8 hours a day while Mavis Garden's bid is based on a minimum usage requirement of 4 hours a day. Staff reviewed the history of this requirement over the last three years and found that the trucks were always required for a full 8 hours per day. In addition, staff does not anticipate that the trucks will be required for less than 8 hours in the new contract.

Tenderers were also requested to provide provisional rates for overtime in the event it was required during the contract. The rates submitted by Tri-Nacc are up to 23% higher than the second lowest bidder. Staff also reviewed the history of this requirement over the last three years and found that no overtime had been worked. In addition, staff does not anticipate that any overtime work will be required during the new contract.

The recommended upset limit includes a contingency of approximately 20% for variation in usage over the three years of the contract.

## **JUSTIFICATION**

Award of the above contract will ensure the uninterrupted supply of heavy haulage trucking for the Commission's ongoing maintenance requirements.

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March 22, 2002

9-118-86

Attachment – Appendix 'A'

## **APPENDIX 'A'**

### **RENTAL OF TRUCKS WITH OPERATORS**

#### **COST SUMMARY**

		<b>MAVIS GARDEN</b>	<b>IPAC PAVING</b>	<b>A</b>
	<b>TRI-NACC</b>			
<b>Tendered Price (Year One) (includes GST)</b>	<b>\$100,259.00</b>	<b>\$100,152.00</b>	<b>\$103,148.00</b>	
<b>Tendered Price (Year Two) (includes GST)</b>	<b>\$103,263.56</b>	<b>\$104,432.00</b>	<b>\$104,860.00</b>	
<b>Tendered Price (Year Three) (includes GST)</b>	<b>\$106,362.28</b>	<b>\$106,144.00</b>	<b>\$106,572.00</b>	
<b>TOTAL TENDERED PRICE  (INCLUDES GST)</b>	<b>\$309,884.84 *</b>	<b>\$310,728.00</b>	<b>\$314,580.00</b>	

**\* Recommended for Award**