

Procurement Authorization - Rental Of Various Cranes

Meeting Date: July 10, 2008

Subject: Procurement Authorization - Rental Of Various Cranes

Recommendation

It is recommended that the Commission approve the issuance of a purchase order to Heavy Lifting Crane Services Ltd. in the total upset limit amount of \$2,000,000 for the rental of various cranes for the three year period from August 1, 2008 to July 31, 2011.

Funding

Sufficient funds for this expenditure are included in Project 1.2 Surface Track Replacement Program, as set out on pages 83 to 96 of the State of Good Repair/Safety Category of the 2008-2012 TTC Capital Program, which was approved by City Council on December 11, 2007.

Background

The Commission through the Streetcar Way section has a continuing need for the rental of various cranes. These cranes are used by the section for surface track installation and removal. The current contract for this service is due to expire on July 31, 2008.

Discussion

Nine companies were invited to submit proposals in addition to the public advertisement on the Commission's web site on May 6, 2008 out of which four companies submitted proposals as summarized in Appendix "A".

The proponents were required to provide pricing for the rental of 20 and 60 ton cranes based on estimated number of weekday and weekend hours for each of the three years of the contract as well as an overtime rate per hour for both the 20 and 60 ton cranes.

Heavy Lifting Crane Services Ltd. (Heavy Lifting) submitted the lowest proposal pricing and did not state any exceptions/qualifications to the Commission's Terms and Conditions. They are the current contractor and have performed satisfactorily. Their submission is considered commercially compliant and they are recommended for award.

All Canada Crane Rental Corp (All Canada) submitted the second lowest proposal price, and they did not

state any exceptions or qualifications to the Commission's Terms and Conditions. All Canada's proposal is considered commercially compliant.

The bids received from Sterling Crane (Sterling) and Superior Crane (Superior) were both higher priced and neither proposal stated any exceptions or qualifications to the Commission's Terms and Conditions and both were considered commercially compliant.

Heavy Lifting Crane Services Ltd. pricing for year one of the contract for the 20 ton crane is approximately 5% higher than the current hourly rate contract price which has been in effect since the year 2006. The pricing for year 2 is approximately 4% higher than year one pricing and the pricing for year 3 is approximately 4% higher than year 2 pricing. A price comparison for the 60 ton crane rates could not be made as this was not part of the previous contract.

An allowance of approximately 10% has been included in the upset limit for variation in usage over the three years of the contract.

Justification

Award of the above contract will ensure the uninterrupted rental of 20 and 60 ton cranes for the Commission's ongoing track maintenance requirements.

July 2, 2008

9-121-86

Attachment – Appendix "A"

Appendix "A"

Rental Of Various Cranes

Proposal Summary

Proponent / Total Proposed Price:

- Heavy Lifting Crane Service Ltd. - \$1,881,747.00
- All Canada Crane Rental Corp. - \$1,921,906.98
- Sterling Crane - \$2,326,275.00
- Superior Crane - \$3,493,271.25

Note: Heavy Lifting Crane Service Ltd. is recommended for award.

