Agenda - Council – April 28, 2010

Report – Standing Policy Committee on Infrastructure Renewal and Public Works – April 6, 2010

Item No. 2 Award of Contract – Lease of 3-Wheeled Street Sweepers
eFile GL-9

STANDING COMMITTEE RECOMMENDATION:

On April 21, 2010, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Infrastructure Renewal and Public Works and submits the following to Council

1. That a Contract be awarded to Joe Johnson Equipment Inc., Unit 10-1201 Grassmere Rd., West St. Paul MB R4A 1C4, the bidder who submitted the lowest responsive bid, in the amount of $955,809.75 (MRST and GST extra) for the period of thirty-five (35) months, commencing April 1, 2010 to October 31, 2014.

2. That the Proper Officers of the City of Winnipeg do all things necessary to implement the intent of the foregoing.

Report – Standing Policy Committee on Infrastructure Renewal and Public Works – April 6, 2010

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On April 21, 2010, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Infrastructure Renewal and Public Works and submitted the matter to Council.

STANDING COMMITTEE RECOMMENDATION:

On April 6, 2010, the Standing Policy Committee on Infrastructure Renewal and Public Works concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

ADMINISTRATIVE REPORT

ISSUE: AWARD OF BID OPPORTUNITY 707-2009 – LEASE OF 3-WHEELED STREET SWEEPERS

Critical Path: Standing Policy Committee on Public Works/Executive Policy Committee/Council

AUTHORIZATION

Author	Department Head	CFO	CAO
R. Pelletier	H. Hajer, COO	M. Ruta	G. Laubenstein

RECOMMENDATIONS

1. That a Contract be awarded to **Joe Johnson Equipment Inc., Unit 10-1201 Grassmere Rd., West St. Paul MB R4A 1C4**, the bidder who submitted the lowest responsive bid, in the amount of $955,809.^{75} (MRST and GST extra) for the period of thirty-five (35) months, commencing April 1, 2010 to October 31, 2014.

IMPLICATIONS OF THE RECOMMENDATIONS

- This Bid Opportunity is to replace the previous, expired lease contract for 3-wheeled sweepers.
- Council approval is required on multi-year lease contracts.
- Extremely specialized pieces of equipment require a maintenance level not available within the Fleet Management Agency.

HISTORY

As the total amount to be paid by the City pursuant to the contract is estimated to be approximately $1,022,716.[43] (including 7% MRST and 0% GST) and the contract is for a lease that obligates the City to expenditures on future budgets, Council may approve the award of contract pursuant to B 8.2.3 of the Materials Management Policy.

Under the terms of the Contract, the equipment is delivered to the City on April 1 and picked-up/removed from City property on November 1 each year for the duration of the Contract, expiring on October 31, 2014 (7-months/year x 5-years). The Contract also includes the option to mutually extend the Contract by an additional fourteen (14) months (7-months/yr x 2-years under a separate award report).

The Bid Opportunity closed on December 21, 2009. The requirements for Bid and Performance Securities, and the execution of a formal contract were waived for this acquisition in accordance with the authority delegated to the Manager of Materials pursuant to Administrative Directive FM-002. The Bid Submission documents pertaining to the recommended Bidder are in order. The bid is open for acceptance until February 19, 2010.

Two (2) suppliers submitted bids as shown on the Bid Summary Table.

Joe Johnson Equipment Inc. submitted the low bid for the street sweepers and the equipment bid meets specifications. The WFMA has reviewed the bid with a representative of Joe Johnson Equipment Inc. and is of the opinion that they are capable of performing the work and supplying the equipment in accordance with the requirements of the specifications. It is recommended that this contract be awarded to Joe Johnson Equipment Inc.

The price breakdown is as follows: (Prices shown do not include MRST or GST)

Item 1:	
Annual Cost – Lease of five (5) 3-Wheeled Street Sweepers as per Detailed Spec. 09046 @ $5,461.[77] each per month for 7-months/year.	$191,161.[95]
Full term cost – $191,161.[95] x 5-years.	**$955,809.[75]**

BID SUMMARY TABLE

Note: Prices shown are Total Bid Prices, not including MRST or GST.
The recommended Bidder is highlighted in bold.

Item 1

Joe Johnson Equipment Inc. ..... $5461.^{77} x 5 x 35 = $955,809.^{75}

B & B Rentals Inc. .....$6800.^{00} x 5 x 35 = $1,190,000.^{00}

FINANCIAL IMPACT

Financial Impact Statement

Date: March 15, 2010

Project Name:

Lease of 3-Wheeled Street Sweepers

First Year of Program 2010

	2010	2011	2012	2013	2014
Capital					
Capital Expenditures Required					
Less: Existing Budgeted Costs					
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal					
Debt - External					
Grants (Enter Description Here)					
Reserves, Equity, Surplus					
Other - Enter Description Here					
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 204,544	$ 204,544	$ 204,544	$ 204,544	$ 204,544
Less: Incremental Revenue/Recovery					
Net Cost/(Benefit)	$ 204,544	$ 204,544	$ 204,544	$ 204,544	$ 204,544
Less: Existing Budget Amounts	$ 204,544	$ 204,544	$ 204,544	$ 204,544	$ 204,544
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

approved by Cheryl Turman CA
Supervisor of Finance & Administration

CONSULTATION

In preparing this Report there was consultation with:

Public Works

SUBMITTED BY

Department: Winnipeg Fleet Management Agency
Prepared by: Eugene T. Romaniuk *CET*
Processed by: Shirley Thompson
Date: March 18, 2010
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