



Report to: General Committee

Meeting Date: December 17, 2024

SUBJECT: Award of Tender 232-T-24 For Short Term Rental of Vehicles
PREPARED BY: Steven Dollmaier, Sr. Manager – Roads & Fleet, Operations, Ext. 2275
Melita Lee, Senior Buyer, Ext. 2239

RECOMMENDATION:

- 1) That the report titled “Award of Tender 232-T-24 for Short Term Rental of Vehicles” be received; and,
- 2) That the contract for Tender 232-T-24 for Short Term Rental of Vehicles be awarded to the lowest priced bidder, Surgenor National Leasing Limited, for one year (January 1 – December 31, 2025), in the annual amount of \$348,675.55, inclusive of HST, with the option to renew the contract for three additional, separate one-year periods from January 1 to December 31 of the renewal period, for a total estimated contract amount of \$1,394,702.21, inclusive of HST; and,
- 3) That an annual 10% contingency in the amount of \$34,867.56 inclusive of HST, be established to cover any additional costs related to the short-term rentals and that authorization to approve expending the contingency amount up to the specified limit be in accordance with the Expenditure Control Policy; and,
- 4) The total award in the amount of \$383,543.11 (\$348,675.55 + \$34,867.56) be funded from various operating accounts outlined in the Financial Considerations section; and,
- 5) The budget shortfall in the amount of \$127,184.11 (\$256,359.00 - \$383,543.11) be included as part of the 2025 year-end results of operations; and further,
- 6) That Staff be authorized and directed to do all things necessary to give effect to this resolution.

PURPOSE:

The purpose of this report is to award the contract for the short-term rental of 46 vehicles for a one-year term (January 1 – December 31, 2025), with the option to renew for three additional, separate one-year periods from January 1 to December 31 of the renewal period. The renewal years are subject to annual price adjustments based on the Consumer Price Index for All Items Ontario for the 12-month period ending September 30 in the applicable year, up to a maximum of 4%.

BACKGROUND:

The City has a seasonal requirement for 46 pick-up trucks (2500 series and 1500 series) to be used by staff in various departments throughout the City. These vehicles are required as seasonal fleet units to deliver the required services throughout the spring, summer and fall seasons.

OPTIONS/ DISCUSSION:

Tender Information (232-T-24)

Bid closed on	November 25, 2024
Number picking up bid document	11
Number responding to bid	9

232-T-24 Short Term Rental of Vehicles Pricing Summary

Bidder	Bid Price (Inclusive of HST)
Surgenor National Leasing Limited	\$348,675.55

FINANCIAL CONSIDERATIONS

Account Name	Account #	Budget Amount Allocated for this Purchase	Cost of Award	Budget Remaining/ (Shortfall)
Fleet - Vehicle Rental	750-752-5500	\$ 220,076.93	\$ 316,916.25	\$ (96,839.32)
Recreation - Miscellaneous Expenses	515-198-7899	\$ 22,752.32	\$ 13,605.31	\$ 9,147.01
Waterworks - Vehicle Maintenance	760-998-5421	\$ 13,529.75	\$ 18,153.98	\$ (4,624.23)
Contingency	750-752-5500	\$ -	\$ 34,867.56	\$ (34,867.56)
Total		\$ 256,359.00	\$ 383,543.11	\$ (127,184.11)

The budget shortfall in the amount of \$127,184.11 (\$256,359.00 - \$383,543.11) is due to the following:

- Addition of one rental for the new Forestry staff not included in the original budget (\$4,146.56);
- Additional three-month rental period for two units in 2025 and 2026 due to election officers not included in the original budget (\$5,830.85); and
- The price of pickup trucks has increased due to a number of factors (demand, inflation, and growing popularity) thus increasing the costs for rentals.

In comparison to the previous contract, the price under this contract represents a 49.4% increase. The City’s previous pricing increases were as follows:

- 2019 to 2021 price remained unchanged;
 - 2022 increased by 4%;
 - 2023 (extension) increased by 1.89%;
 - 2024 (extension) increased by 2%;
- Totaling a 7.89% increase since 2019.

In comparison to the 49.4% increase, the cumulative CPI for All Items Ontario for the period from January 2020 to October 2024 was 18.5%.

OPERATING BUDGET AND LIFE CYCLE IMPACT

The budget shortfall will be included for consideration as part of incremental funding requested through the 2026-2028 operating budget process.

As this is an operating expense, there is no impact to the Life Cycle Reserve Study.

HUMAN RESOURCES CONSIDERATIONS

Not applicable

ALIGNMENT WITH STRATEGIC PRIORITIES:

Not applicable

BUSINESS UNITS CONSULTED AND AFFECTED:

Financial Services Department have been consulted in the preparation of this report.

RECOMMENDED BY:

Alice Lam, Director
Operations

Morgan Jones, Commissioner
Community Services

ATTACHMENTS:

Not applicable