



Hamilton

**CITY OF HAMILTON**

**PUBLIC WORKS DEPARTMENT**  
**Corporate Assets & Strategic Planning Division**

<b>TO:</b> Chair and Members Audit, Finance and Administration Committee	<b>WARD(S) AFFECTED:</b> CITY WIDE
<b>COMMITTEE DATE:</b> February 11, 2013	
<b>SUBJECT/REPORT NO:</b> Car and Light Truck Automotive Maintenance and Repair Services Request for Proposals Award (PW13007) - (City Wide)	
<b>SUBMITTED BY:</b> Gerry Davis, CMA General Manager Public Works Department	<b>PREPARED BY:</b> Lyle Stedman Manager of Central Fleet (905) 546-2424, Extension 4593
<b>SIGNATURE:</b>	

**RECOMMENDATION**

That Request for Proposals C11-08-12 for Car and Light Truck Automotive Maintenance and Repair Services be awarded to:

- Barton Truck Centre Ltd. and
- Cino Automotive Repairs Incorporated

for the fixed labour and parts pricing contained in the Request For Proposals (RFP) for the initial term of one year, with a maximum of three further one-year term renewals, at the sole discretion of the City.

**EXECUTIVE SUMMARY**

In the fall of 2012, The City issued a Request for Proposals (RFP) seeking outside automotive maintenance and repair services for the City's Central Fleet and Transit light duty vehicles. The RFP stated that the award would be to the top 3 scoring compliant proponents. There were four proponents that bid on the RFP, but only two bids were found to be compliant. The RFP required that the Drive Clean repair certification was a mandatory requirement. Only two of the proponents had the required Drive Clean

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Certification. Staff is recommending that the RFP be awarded to the two highest scoring compliant proponents and not to three proponents as originally stated in the RFP. The City's Procurement Policy states that this award cannot be made without obtaining Committee and Council approval.

The Drive Clean certification program is currently undergoing changes and the Ministry of Transportation is behind in issuing renewal certifications and was not issuing any new certifications until the renewal backlog is resolved. This prevented some repair facilities from meeting our mandatory requirements in the RFP

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**FINANCIAL / STAFFING / LEGAL IMPLICATIONS**

**Financial:** None

**Staffing:** None

**Legal:** Committee and Council approval of this proposed RFP award is required given the wording of Policy #2 of the City's Procurement Policy. See Policy Implications of the Report.

**HISTORICAL BACKGROUND**

The Automotive Car and Light Truck Maintenance and Repair Services Contract was cancelled in 2011 due to concerns raised by city staff in auditing the costs. Once the contract was not renewed, the successful vendor appeared as a delegate to AF&A to express their concerns. Staff were directed to also meet and review the process with the unsuccessful proponents as well. As a result, there were several improvements made to the process that were captured in the City's new RFP.

The repairs to the light duty vehicles in all areas continued under Policy #11 - Non-competitive Procurements of the Procurement Policy until a new revised program could be developed and contracts awarded.

On November 4, 2012, the City released a revised document moving away from tendering solely on low bid and working toward an evaluated Request for Proposals (RFP) that ensures auditing can be easily achieved on all aspects from shop equipment and staff training to invoicing and costs. Each proponent was required to submit only a technical proposal as all proponents were deemed to have agreed to the fixed labour prices and parts prices set out in the RFP. The term of the contract is stated to be for one year, with the potential for a maximum of three further one-year terms, at the discretion of the City.

In the RFP it stated that the City would award the contracts to the top three compliant proposals. A larger number of performance and equipment items were to be graded to ensure that we could find the best overall facilities to perform the work. There were also three mandatory requirements. One of the mandatory requirements was for all

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proponents to have a Drive Clean repair facility certificate. These certificates were not available to all businesses prior to the close of the RFP due to issuing delays resulting from program changes at the Ministry of Transportation.

As a result, there are now only two compliant proponents who responded to the RFP. The two compliant proponents appear to have capacity to service the City's car & light truck fleet. Staff will monitor during the first year of the contract.

The City spends approximately \$500,000 annually on outside automotive car and light truck maintenance and repairs.

**POLICY IMPLICATIONS/LEGISLATED REQUIREMENTS**

Policy #2 - Approval Authority of the Procurement Policy (By-law 12-255) requires that the Client Department in conjunction with the Procurement Section shall submit a report to Council and the appropriate standing committee recommending award of a RFP when the following condition applies:

- The award of the RFP is not being made in accordance with the evaluation methodology set out in the RFP.

**RELEVANT CONSULTATION**

Both the Procurement Section and Legal Services were consulted, and agree with the report recommendations, relevant policies and content.

**ANALYSIS / RATIONALE FOR RECOMMENDATION**

The original contract had been cancelled and resulted in several complaints from the original successful bidders. Their concerns resulted in staff putting forth a significant amount of effort in issuing a new competitive procurement process. Unfortunately issues associated with changes to the Drive Clean program have resulted in only two compliant proponents instead of the three contemplated in the RFP.

Given the fact that the City only received two compliant proponents, Central Fleet is requesting that Committee and Council consider moving this process along by awarding the RFP to those two compliant proponents.

City staff will evaluate the success of working with two contractors during the initial one year term and will then determine whether to continue to proceed in this manner in the future.

**ALTERNATIVES FOR CONSIDERATION**

That Committee and Council direct staff to cancel the existing Request for Proposals and issue a new Request for Proposals for up to three contractors, removing the mandatory requirement that the facility be certified as a Drive Clean repair facility.

Should Council take this alternative, this will further delay the implementation of the contracts on improved terms and conditions for the light duty vehicle maintenance and repair services.

**ALIGNMENT TO THE 2012 - 2015 STRATEGIC PLAN**

**Strategic Priority #2**

Valued & Sustainable Services

*WE deliver high quality services that meet citizen needs and expectations, in a cost effective and responsible manner.*

**Strategic Objective**

- 2.1 Implement processes to improve services, leverage technology and validate cost effectiveness and efficiencies across the Corporation.

**APPENDICES / SCHEDULES**

None