

MEETING DATE: October 31, 2001

SUBJECT: Procurement Authorization - Rental Of Cranes With Operators

RECOMMENDATION

It is recommended that the Commission approve acceptance of the tender submitted by Heavy Lifting Crane Service Ltd. for the contract period November 1, 2001 to October 31, 2004, in the upset limit of \$404,460.00, for the Rental of Cranes with Operators, on the basis of lowest tendered price.

FUNDING

Sufficient funds to accommodate the Capital portion of these expenditures are included in Project 1.1 Subway Track as set out on pages 1 to 40 in the "State of Good Repair" category approved by City Council on April 30, 2001. Sufficient funds to accommodate the operating portion of these expenditures are included in the 2001 TTC Operating Budget and adequate provisions will be made for future operating budgets, as required.

BACKGROUND

During the course of this contract, staff will require the rental of various crane sizes to facilitate various capital and operating programs. Staff has identified crane rental requirements based on historical data for the next three years. This multi-year contract will ensure that cranes are available to meet the Commission's requirements on an as required basis.

DISCUSSION

Specifications were prepared for the rental of various sizes of cranes (10, 20 and 40 Ton). Ten companies were invited to submit tenders in addition to the public advertisement in the Globe and Mail on July 18, 2001. Four companies submitted tenders as summarized in Appendix "A". Tenders were solicited on the basis of awarding a single contract for the supply of all three types of cranes.

The lowest tender for the rental of the cranes was submitted by Heavy Lifting Crane Service Ltd., in the upset limit amount of \$404,460.00.

Heavy Lifting Crane Service Ltd. has successfully completed similar contracts for the Commission in the past and has not taken any exceptions/qualifications. Their tender is considered commercially compliant and staff is recommending acceptance.

The standard hourly rates submitted by Heavy Lifting Crane Service for the 20 and 40 ton cranes for the first year of the contract are the same as currently charged by the same vendor under the current contract. These rates increase by approximately 5% to 6% in both the second and third year of the contract. The rate for the 10 ton crane for the first year of the contract is approximately 18% higher than that currently charged by the same vendor under the current contract, however the 10 ton rate remains firm for the duration of the contract. Heavy Lifting Crane Service have noted that these increases are based on higher labour rates for operators as per their union contract as well as higher fuel and equipment maintenance charges.

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JUSTIFICATION

It is necessary to proceed with the foregoing procurement expenditure in order to ensure that the rental of Various Crane Sizes with Operators are available to the Commission, thus ensuring the completion of scheduled work from 2001 to 2004.

October 10, 2001

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Attachment: Appendix "A"

Appendix "A"

RENTAL OF CRANES WITH OPERATORS

TENDER SUMMARY

	TOTAL COST (Three Years)			
Company	10 Ton Crane	20 Ton Crane	40 Ton Crane	Total Tendered Prices (Including Taxes)
Heavy Lifting Crane Service Ltd.	\$100,152.00	\$111,708.00	\$192,600.00	\$404,460.00 *
Cooper Crane Rental	\$111,708.00	\$118,128.00	\$186,822.00	\$416,658.00
C.W. Smith Crane Canada	\$134,820.00	\$134,820.00	\$240,750.00	\$510,390.00
Superior Crane Canada	\$124,976.00	\$139,956.00	\$286,974.00	\$551,906.00

* Recommended for Award

Engineer's Estimate - \$386,000.00