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**TORONTO TRANSIT COMMISSION
REPORT NO.**

MEETING DATE: August 30, 2006

SUBJECT: Procurement Authorization Rental Contract – Non-Revenue Vehicles

RECOMMENDATION

It is recommended that the Commission authorize the awards of three (3) annual contracts, commencing from the date of Notification of Award to August 31, 2007, to SomervilleAuto Ltd. O/A National Car & Truck Rental / Somerville National Leasing & Rentals Ltd., Ryder Truck Rental Canada Ltd., and Discount Car and Truck Rentals Ltd. in the upset limit amounts of \$400,000.00, \$80,000.00, and \$70,000.00 respectively for a total upset limit amount of \$550,000.00 for the rental of non-revenue vehicles.

FUNDING

Sufficient funds for these expenses have been included in the 2006 TTC Operating Budget and 2006-2010 Capital Program and future years' requirements will be incorporated into the appropriate future budgets.

BACKGROUND

In order to maintain system operations and maintenance, the TTC requires licenced vehicle rentals for short periods to accommodate special needs such as seasonal work, or when permanent vehicles are unavailable due to accidents, repairs, or servicing. On occasion, rental vehicles are used pending the acquisition, or arrival, of a permanently assigned vehicle. On other occasions, rental vehicles enable staff to confirm usage rates, or capabilities, before submitting a request for a permanent vehicle.

DISCUSSION

The work consists of the short or long term rental (i.e. daily, weekly, or monthly) of various types of non-revenue vehicles such as regular or crew cab pickup trucks, cube vans (with or without hydraulic liftgates), cargo trucks, minivans and mid-size sedans. The vehicles are to be utilized by TTC personnel for various seasonal, long and short term tasks. Data gathered from previous TTC vehicle rental contracts indicates that monthly rental periods are primarily utilized during the course of these annual contracts. The rentals will be arranged on a Work Order Unit Price basis utilizing a contractually-established Total Rental Charge per vehicle. The annual contracts are scheduled to run from the Notification of Award to August 31, 2007.

The Request For Proposal (RFP) required the proponents to state individual base vehicle unit prices which include Third Party Liability and Comprehensive and Collision Damage (C&C Damage) insurance for each of the vehicles and rental periods offered.

The combination of the offered base vehicle and insurance package pricing for each of the three (3) aforementioned rental periods (daily, weekly or monthly) establishes the total rental charge rates for each vehicle.

As not all proponents are capable of providing all the vehicle types previously mentioned, the RFP requirements allowed proponents to offer pricing for any or all of the vehicles specified. Thus, the RFP requirements provided for the ability to issue a combined or split contract award to enable the TTC to “cherry pick” the lowest offered price for each of the different vehicle types.

Therefore, each vehicle type was individually evaluated on its own merit with the following factors being incorporated into the evaluation: pricing offered for monthly rates; anticipated number of vehicles required over time period averages of previous TTC rental contracts; and C&C Damage costs as established in previous TTC rental contracts.

The RFP was issued to nine (9) companies on June 5, 2006, with a closing date of July 6, 2006. Proposals were received from four (4) companies as summarized on the attached Appendix “A”. The RFP validity period expires on October 4, 2006.

SomervilleAuto Ltd. O/A National Car & Truck Rental / Somerville National Leasing & Rentals Ltd. (Somerville) submitted a proposal which offered rates for all the vehicles listed in the RFP and represents the lowest individually evaluated pricing for five (5) of the specified vehicle types as follows: crew cab pickup trucks; regular cab pickup trucks; cube van; cargo van; and mid-size sedan. Their submission stated an exception which is pertinent only to one (1) of the specified vehicle types (cube van with hydraulic liftgate) by not offering short term rental rates (i.e. daily or weekly). Therefore, this vehicle type portion of their submission was incomplete and considered unacceptable. However, as previously noted, with each vehicle type offered being separately evaluated on its own merit, the balance of Somerville’s submission addressing the other vehicles as specified was fully compliant and therefore is considered to be acceptable. Somerville is currently satisfactorily performing work of a similar nature for the Commission. Cost comparison analysis of their current 2005/2006 TTC vehicle rental rates indicates that the submitted proposal pricing represents a 0.8% price decrease.

Discount Car & Truck Rentals Ltd. (Discount) submitted a proposal which offered rates for five (5) of the seven (7) vehicle types listed in the RFP, one (1) of which (mini-van) represents the lowest individually evaluated pricing for this vehicle. As Discount has not performed work for the TTC in the past, M&P staff have made reference checks with the general response being that Discount are currently providing satisfactory service. Cost comparison analysis of the currently offered pricing in relation to comparable 2005/2006 TTC rental rates indicate that the submitted proposal pricing represents a 6% price decrease. On the basis of the foregoing, the submission from Discount is considered to be acceptable.

Ryder Truck Rental Canada Ltd. (Ryder) submitted a proposal which offered rates for three (3) of the seven (7) vehicle types listed in the RFP, one (1) of which (cube van with hydraulic liftgate) represents the lowest individually evaluated pricing for this vehicle. Ryder is currently satisfactorily performing work of a similar nature for the Commission. Cost comparison analysis of their current 2005/2006 TTC vehicle rental rates indicates that the submitted proposal pricing represents a 1% price increase. On the basis of the foregoing, the submission from Ryder is considered to be acceptable.

Budgetcar Inc. submitted a proposal which offered rates for five (5) of the seven (7) vehicle types listed in the RFP but none of which represented the lowest individually evaluated vehicle pricing. Their submission is considered to be commercially acceptable.

JUSTIFICATION

Rental vehicles are needed to supplement the Non Revenue Fleet, accommodate peak work loads, and special unexpected vehicle needs. This award is required to accommodate rental vehicle expenses associated with approved Capital and Operating projects.

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Attachments - Appendix "A"

APPENDIX "A"

Vehicle Types	Proponents			
	Somerville	Discount	Budget Car	Ryder
Crew Cab Pickup Truck (8' box)	offered (Recommended)	not offered	not offered	not offered
Pickup Truck Regular Cab (8' box)	offered (Recommended)	offered	offered	not offered
Cube Van	offered (Recommended)	offered	offered	offered
Cargo Van	offered (Recommended)	offered	offered	offered
Mini-Van	offered	offered (Recommended)	offered	not offered
Mid-Sized Sedan	offered (Recommended)	offered	offered	not offered
Cube Van with Hydraulic Liftgate	not offered	not offered	not offered	offered (Recommended)