SUBJECT: Award of Tender C12-10-09 Short Term Rental Vehicles (FCS09116) (City Wide)

RECOMMENDATION:

That the Corporate Tender C12-10-09 Short Term Rental Vehicles be awarded as follows:

(a) Part One, Cars - to Avis Car Inc. with an estimated total three year contract price of $53,550.00;

(b) Part Two, Vans and Pickup Trucks - to Avis Car Inc. with an estimated total three year contract price of $100,105.00;

(c) Part Two, Full Size Cargo Van - to 2064973 Ontario Inc. o/a Dollar Thrifty with an estimated total three year contract price of $6,113.00;

(d) Part Three, Special Vans - to Avis Car Inc. with an estimated total three year contract price of $21,580.00;

(e) Part Four, Hourly Rentals for various vehicles to Carter Lease & Rental with an estimated total three year contract price of $1,380.00;

(f) Part Four, Hourly Rentals for full size passenger van to 2064973 Ontario Inc. o/a Dollar Thrifty with an estimated total three year contract price of $250.00; and
EXECUTIVE SUMMARY:

This is a City Wide contract for supply and delivery of short term rental vehicles which may be utilized by all City of Hamilton departments, with the primary users being Roads Operation and Maintenance Section and Parks and Cemeteries Section.

Hourly rentals were included in this Request for Tenders to assist City employees who require vehicles for less than a full day. Central Fleet no longer provides vehicles to City staff for short term use and hourly rentals will fill this requirement.

No individual rental agency could supply all configurations of vehicles that were requested, resulting in the recommendation of awards to multiple Bidders.

The initial term of the contract is for a period of one year, with an option to renew for two additional one year terms, at the sole discretion of the City.

As per Purchasing Policy, Section 4.4, Policy 4 – Approval Authority, Council approval is required for the award of Corporate Contracts.

BACKGROUND:

The Purchasing Section issued this City Wide Request for Tenders for the supply and delivery of short term rental vehicles on August 7, 2009, and closed September 11, 2009. The contract is for the provision of short term rental vehicles for City departments in lieu of purchasing and maintaining additional fleet vehicles for occasional and short term use.

Six Bidders picked up the tender documents, and four compliant bids were received. The lowest compliant Bidders are being recommended for the award of each part.

ANALYSIS/RATIONALE:

The City benefits from reduced pricing when a corporate contract is issued versus each individual department securing pricing on their own for services that are the same.
Hourly pricing was requested in this tender to provide vehicles for less than full days previously provided by Central Fleet. Hourly rentals have not been included in any previous tender requests.

The previous Request for Tenders for short term vehicles rentals was issued in 2004. The City has enjoyed firm fixed pricing since 2007. Using historical usage data, there is an estimated savings of approximately $3,200 over the three year contract term, as compared to the 2007-2009 rental rates.

By using a Corporate Contract, the City sees cost savings as a result of combined requirements, does not incur fuel surcharges, enjoys unlimited mileage, and protection from any other additional fees that may be added to individual rental contracts.

**ALTERNATIVES FOR CONSIDERATION:**

The alternative method would be to secure competitive bids for each department, which would result in the duplication of effort and the City would not see the cost savings which result from volume discounts.

If left to the departments, the City may pay retail rates for all rentals, as each department may not have the volume to receive discounts and could be subject to all fees and surcharges that are associated with rental vehicle agreements.

**FINANCIAL/STAFFING/LEGAL IMPLICATIONS:**

Financial
None.

Staffing
None.

Legal
None.

**POLICIES AFFECTING PROPOSAL:**

Purchasing Policy, Section 4.4, Policy 4 – Approval Authority, Council approval is required for the award of Corporate Contracts.

**RELEVANT CONSULTATION:**

All City of Hamilton departments were consulted for input. Member departments of the Central Fleet Advisory Committee provided input and reviewed the Request for Tenders with respect to specifications and special provisions.
Risk Management provided input and reviewed the Request for Tenders with respect to insurance requirements and liability to the City.

**CITY STRATEGIC COMMITMENT:**

By evaluating the “Triple Bottom Line”, (community, environment, economic implications) we can make choices that create value across all three bottom lines, moving us closer to our vision for a sustainable community, and Provincial interests.

Community Well-Being is enhanced. ☑ Yes ☐ No
Vehicles will be rented for short term use rather than owned and maintained by the City.

Environmental Well-Being is enhanced. ☑ Yes ☐ No

Economic Well-Being is enhanced. ☑ Yes ☐ No
The issuance of corporate contracts ensures that volume discounts are maximized for the City.

Does the option you are recommending create value across all three bottom lines? ☑ Yes ☐ No

Do the options you are recommending make Hamilton a City of choice for high performance public servants? ☐ Yes ☑ No