SUBJECT: Award of Corporate Tender C12-15-08 Supply of Automotive Lubricants for Fleet Services and the Hamilton Street Railway (HSR) (FCS08074) – (City Wide)

RECOMMENDATION:

That the Corporate Tender C12-15-08 for Automotive Lubricants be awarded to Petro-Canada and Harper Power Products Inc, with an estimated annual expenditure of:

Petro-Canada - $53,000.00
Harper Power Products Inc - $129,000.00

EXECUTIVE SUMMARY:

This contract is for automotive lubricants which will be utilized by all Public Works - Fleet Services and the Hamilton Street Railway.

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

As per Purchasing Policy, Section 4.4, Policy 4 - Approval Authority, Item 4(b), approval is required for the award of Corporate Contracts.
BACKGROUND:

The Purchasing Section issued a Request for Tender for the Supply of Automotive Lubricants on June 18, 2008, and closed on July 9, 2008. Eight (8) Bidders picked up the tender documents and three (4) compliant submissions were received.

ANALYSIS/RATIONALE:

The City of Hamilton Public Works - Fleet Services and the Hamilton Street Railway require the supply and delivery of automotive lubricants at various locations throughout the City of Hamilton.

Submission Results:

<table>
<thead>
<tr>
<th>Bidder</th>
<th>Total Estimated Annual Price</th>
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</thead>
<tbody>
<tr>
<td>Petro-Canada</td>
<td>$ 220,000.00</td>
</tr>
<tr>
<td>Harper Power Products Inc.</td>
<td>$ 230,000.00</td>
</tr>
<tr>
<td>Bluewave Energy L.P.</td>
<td>$ 190,000.00</td>
</tr>
<tr>
<td>Safety Kleen Canada Inc</td>
<td>$ 205,000.00</td>
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</tbody>
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The award of the Request for Tender shall be based on the lowest compliant Bid for each line item meeting all the requirements of the Request for Tender. The Bidders were not required to bid on all items, so that the total estimated annual price should not be viewed as a comparison amongst the Bidders.

Harper Power Products Inc. was the only Bidder to bid on all items required on this Request for Tender. Therefore, by awarding each item by the lowest unit price, the City is realizing a savings of approximately $48,000 annually as compared to awarding the entire contract to a single Bidder.

ALTERNATIVES FOR CONSIDERATION:

The alternative method would be to secure competitive bids for each department, which would result in the duplication of effort by City staff. Also the City would be at risk of not securing the most competitive pricing based on reduced volumes.
FINANCIAL/STAFFING/LEGAL IMPLICATIONS:

None

POLICIES AFFECTING PROPOSAL:

Purchasing Policy, Section 4.4, Policy 4 - Approval Authority: requires Council approval when the Request for Tenders is a Corporate Contract.

RELEVANT CONSULTATION:

Public Works - Fleet Services and the Hamilton Street Railway were consulted and provided input for this Request for Tender with respect to specifications and special provisions.

CITY STRATEGIC COMMITMENT:

By evaluating the “Triple Bottom Line”, (community, environment, and 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

Environmental Well-Being is enhanced. ☑ Yes ☐ No


Cars are an indispensable fact of life for most of us. By operating and maintaining our vehicles responsibly, we can balance our desire for convenient transportation and a clean and healthy environment.

Economic Well-Being is enhanced. ☑ Yes ☐ No

The issuance of this corporate contract enhances buying power and 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