

TO: MAYOR & COUNCIL
FROM: DEPUTY CHIEF ADMINISTRATIVE OFFICER AND CHIEF FINANCIAL OFFICER
SUBJECT: **CI – TIRES AND RELATED SERVICES**
PURPOSE: To obtain Council approval to award a Contract Increase (CI) for the supply and delivery of tires and related services.

RECOMMENDATION

THAT a contract increase to Son Tirecraft Burnaby Inc for an estimated cost of \$365,000 including GST and PST in the amount of \$39,107 as outlined in the Report titled “CI – Tires and Related Services”, dated for December 11, 2023 Council be approved; and

THAT final payment is based on the actual quantity of goods and services delivered and unit prices as submitted.

CHIEF ADMINISTRATIVE OFFICER’S COMMENTS

I concur with the recommendation of the Deputy Chief Administrative Officer and Chief Financial Officer.

1.0 POLICY SECTION

The City’s Change Order Policy requires Council’s approval for change orders, which individually or when accumulated with prior change orders, increase the total value of the contract by \$1,000,000.

2.0 BACKGROUND

On August 11, 2022, the City awarded a two-year contract to Son Tirecraft Burnaby Inc for the supply and delivery of tires and related services for an estimated total cost of \$771,000 including GST and PST in the amount of \$82,607. The Fleet and Equipment Services Department and Fire Mechanic Shop requires on-site maintenance service calls to complete fleet maintenance including regular tire replacement, inspections, rotations, pressure checks, flat repairs, mounting and demounting, and re-torquing to specifications. The initial contract term is from September 1, 2022 to August 31, 2024 with the option to extend for an additional three, one-year terms at the sole discretion of the City.

3.0 GENERAL INFORMATION

Since the award of this contract, there has been one change order in the amount of \$50,000 including GST and PST in the amount of \$5,357 to pay current invoices due, while waiting for the approval of the requested contract increase. This contract increase of \$365,000 including GST and PST in the amount of \$39,107 is required for the following reasons:

- With the centralization of City Hall fleet maintenance in the City garage, more tire replacements have been processed through Son Tirecraft Burnaby Inc as opposed to dealer services. Costing is now more transparent;
- All tire replacement requests are vetted through the Garage Foreman to ensure they meet the replacement thresholds. A visual inspection is performed prior to replacement. A review of the commercial vehicle fleet and heavy equipment revealed that tire replacement on some of the older vehicles was prudent before snow and ice conditions developed;
- Several tire chains were purchased for commercial vehicle fleet. These will stay with the departments even after the vehicle is sold;

The total estimated contract value will be \$1,186,000 including GST and PST in the amount of \$127,071. The General Manager, Engineering, concurs with this recommendation.

Contract History	Date	Accumulative Total Change (including GST and PST)
Original Contract Award	September 2022	\$ 771,000
Change Order #1	November 2023	\$ 50,000
Change Order #2	Pending	\$ 365,000
TOTAL		\$ 1,186,000

4.0 COMMUNICATION AND COMMUNITY ENGAGEMENT

The RFP #58-03/22 Tires and Related Services was publicly advertised. Upon closing, the City received a total of four submissions.

5.0 FINANCIAL CONSIDERATIONS

Funding for this operating work is provided in the 2023-2027 Financial Plan under various operating accounts in the Engineering, Fire and Parks, Recreation & Culture department.

Respectfully submitted,

Noreen Kassam, Deputy Chief Administrative Officer and Chief Financial Officer

ATTACHMENTS

Attachment 1 – RFP 58-03-22 Tires and Related Services

REPORT CONTRIBUTORS

This report was prepared by Justin Nelsen, Buyer 1, and reviewed by Robyn Tegart, Senior Manager Purchasing Operations.

View Details

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Bid Details

Bid Classification:	Services
Bid Type:	Request for Proposal
Bid Number:	58-03-22
Bid Name:	Tires and Related Services
Bid Status:	Awarded
Bid Awarded Date:	Thu Aug 11, 2022 (PDT)
Bid Closing Date:	Thu Jun 16, 2022 3:00 PM (PDT)
Question Deadline:	Thu Jun 2, 2022 11:59 PM (PDT)
Electronic Auctions:	Not Applicable
Language for Bid Submissions:	English unless specified in the bid document
Submission Type:	Online Submissions Only
Submission Address:	Online Submissions Only
Public Opening:	No
Description:	The City of Burnaby ("City") is seeking Proposals from qualified and experienced Proponents for the as and when required supply of tires and related services, as detailed herein. The issue of these documents does not confer any licence or grant for any other purpose.
Bid Document Access:	Bid Opportunity notices and awards and a free preview of the bid documents is available on this site free of charge without registration. Please note, some documents may be secured and you will be required to register for the bid to download and view the documents. There is no cost to obtain an unsecured version of the document and /or to participate in this solicitation.
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