

October 25, 2010

ACTION REQUIRED

To: The Board of Governors of Exhibition Place

From: Dianne Young, Chief Executive Officer

Subject: **Agreement for High Reach Equipment
and Other Various Types of Equipment on a Rental Basis**

Summary:

This report recommends the Board enter into an agreement with Hertz Equipment Rental Corporation, (Hertz), commencing January 1, 2011, for the non-exclusive supply and delivery of high reach equipment and other various types of equipment on a rental basis to Exhibition Place.

Exhibition Place uses these various types of high reach equipment on an “as required basis” to fulfill both internal maintenance service requirements and client driven needs, which include also the needs of the Direct Energy Centre and the Canadian National Exhibition.

A Request for Quotation (RFQ) process was issued through the City of Toronto, Finance Department, Purchasing and Materials Management Division for the rental of high reach equipment and other various types of equipment to Exhibition Place and Hertz was the lowest qualified bidder..

Recommendation:

It is recommended that the Board approve an agreement with Hertz Equipment for a period of one (1) year, with the option to extend for an additional two separate one year periods, on the terms and conditions outlined in this report, and other such terms and conditions satisfactory to the Chief Executive Officer of the Board and the City Solicitor.

Financial Impact:

The projected annual expenditure for the rental of high reach equipment and other various types of equipment is \$102,000 yearly, of which more than \$90,000 is recoverable from clients of the Board. The remaining \$12,000 is provided for in the 2010 / 2011 Operating Budget.

Decision History:

At its meeting of December 12 2008, the Board entered into agreement with United Rentals of Canada Inc for the rental of high reach equipment and other various types of equipment commencing January 1, 2009 and expiring December 31, 2010.

On September 22, 2010, Exhibition Place through the services of City of Toronto issued a Request for Quotation to establish a new agreement for the rental of high reach equipment and other various types of equipment commencing January 1, 2011.

Issue Background:

The RFQ specified the Board's requirements and was accordingly structured in a manner that required bidders to provide daily, weekly and monthly rental rates including cartage costs for the provision of various specific types of high reach equipment to meet both short and long term needs. For comparison purposes, these rates quoted were applied to projected annual requirements resulting in Total Lump Sum Prices. Firm prices were quoted for each of the three years.

Comments:

The RFQ closed on October 12, 2010 with five quotations received. Three of the five quotations received failed to comply with requirements thereby disqualifying their submission. The Lump Sum prices were as follows:

Bidder	2011	2012	2013
Hertz Equipment Rental	\$62,600	\$62,600	\$62,600
Battlefield Equipment Rental	\$70,735	\$70,735	\$70,735

The Hertz quotation is the overall lowest acceptable bid received in compliance with all requirements. The Hertz Equipment Rental Corporation was founded in 1965 and has a network of 290 locations covering the United States and Canada with several branch rental outlets in the GTA. References include The Toronto Transit Commission, City of Toronto Water and Sutherland Schultz Inc.

The City of Toronto Fair Wage and Labour Trades Office confirms that this bidder is in compliance with the Fair Wage and Labour Trades requirements for this work.

The substantial terms of the agreement will be as follows:

- (a) Term: One year commencing January 1, 2011 with the option to extend for an additional two separate one-year period subject to satisfactory performance review and budget availability.
- (b) Pricing: Pricing be fixed during the term of the Agreement.
- (c) Assignment: The agreement between the Board and Hertz shall not be assigned by Hertz without written consent of the Board.
- (d) Indemnity/Insurance: Hertz shall provide proof of insurance in a form and amount satisfactory to the Board and containing provisions including the Board and the City of Toronto as additional insured with a cross liability/severability of interest clause of standard wording.
- (e) Union Obligations: Hertz shall comply with all agreements in force between the Board and any union or association with respect to Exhibition Place.

- (f) **Other Commercial Terms:** The agreement shall include other standard commercial terms respecting termination and other matters in a form satisfactory to the City Solicitor and the CEO.

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