

<b>TO:</b>	<b>CHAIR AND MEMBERS CIVIC WORKS COMMITTEE MEETING ON OCTOBER 20, 2020</b>
<b>FROM:</b>	<b>KELLY SCHERR, P.ENG., MBA, FEC MANAGING DIRECTOR - ENVIRONMENTAL &amp; ENGINEERING SERVICES &amp; CITY ENGINEER</b>
<b>SUBJECT:</b>	<b>SINGLE SOURCE PROCUREMENT – RENTAL CAR CONTRACT</b>

<b>RECOMMENDATION</b>
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That, on the recommendation of the Managing Director, Environmental and Engineering Services & City Engineer, the following actions **BE TAKEN**:

- a) Civic Administration **BE AUTHORIZED** to extend the current single source agreement >\$50,000 for the procurement of compact rental cars as per Section 14.4(d) of the Procurement of Goods and Services Policy;
- b) The submission from Discount Car and Truck Rentals, 720 Arrow Road, North York, Ontario, M9M 2M1, **BE ACCEPTED**; for the supply and delivery of compact rental cars for the remainder of 2020 with a total annual cost of \$84,000, excluding HST and an additional option year (2021) should it be required;
- c) Civic Administration **BE AUTHORIZED** to undertake all the administrative acts that are necessary in connection with this purchase; and
- d) Approval hereby given **BE CONDITIONAL** upon the Corporation entering into a formal contract or having a purchase order, or contract record relating to the subject matter of this approval.

<b>COUNCIL'S 2019-2023 STRATEGIC PLAN</b>
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Municipal Council has recognized in its 2019-2023 - Strategic Plan for the City of London the importance of:

**Leading in Public Service**

Londoners experience exceptional and valued customer service:

- Increase responsiveness to our customers
- Increase efficiency and effectiveness of service delivery

<b>BACKGROUND</b>
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**Purpose**

Fleet Planning is seeking approval to extend their current single source supply contract >\$50,000 for up to one (1) year with Discount Car and Truck Rentals for the continued supply of compact rental cars to support pandemic-related physical distancing requirements allowing City of London staff to maintain safe and healthy transportation to and from job sites within the City. Fleet Planning is also requesting approval for one (1) option year to be extended only if restrictions continue well into 2021.

## Context

The Province of Ontario and the City of London mandated a two (2) metre physical distancing requirement in response to the COVID-19 pandemic. When City outside works staff began returning to work in late April, 2020, the City implemented a one (1) employee per vehicle practice where operationally possible to ensure a safe work environment for returning staff. Fleet Planning redeployed seasonal rental vehicles and other City-owned inactive vehicles to meet the initial need, but as more service areas returned to work in May and June, more vehicles were required. Fleet Planning thus needed to secure vehicles from alternate third party sources. Discount Car and Truck Rentals had inventory available at a competitive price, so vehicles were rented to support health and safety requirements under the low value procurement process originally, then moving to an informal quotation process for services <\$50,000.

As more staff returned to work over the summer months, the number of compact cars being rented increased to a total of 18 units as of September 1, 2020. The length of the rental period for these cars is dependent on the ongoing recovery from the pandemic, as well as any second or third wave of infections. Fleet Planning will continue to monitor the situation and adjust the number of compact cars being rented, however rental cars to ensure physical distancing for staff will almost certainly be required until the end of 2020, possibly well into 2021.

The current fleet of 18 rental cars are set up in JD Edwards with City fuel keys and City unit number decals installed. Keeping the existing rental units until the restrictions are lifted is the most efficient and effective decision for the City of London.

## DISCUSSION

### Purchasing Process

This report seeks approval from the Civic Works Committee and Council to single source the ongoing rental of compact cars to support distancing requirements in response to the COVID-19 pandemic.

In May 2020, Fleet Planning obtained compact car rental quotes from the City's currently contracted vendor, Bennett Fleet Rentals, as well as Discount Car and Truck Rentals. Discount was the lowest priced vendor on compact cars. Several cars were rented from Discount as per Section 10 of the Procurement of Goods & Services Policy, Informal Request for Quotation (IRFQ Greater than \$15,000 to \$50,000).

As restrictions continue to limit vehicle usage to only one staff member per vehicle unless two or more staff per vehicle is operationally required, the need for additional rental cars will continue. The duration of the rental requirements is unknown at this time so it is anticipated that the annual rental costs for additional compact cars will be approximately \$84,000, exceeding the Informal Request for Quotation (IRFQ Greater than \$15,000 to \$50,000) approval levels.

### Financial Impact

The current monthly rental rate per vehicle is \$699. With 18 vehicles currently rented, the total monthly rental costs are now \$12,582. By the end of October 2020, rental costs are expected to exceed \$50,000, which would exceed the approval level of the original Informal RFQ. Total rental car costs for the 2020 fiscal year are projected to be approximately \$84,000.

The operating costs are being tracked in the various Service Areas' budgets and Civic Administration is intending to utilize a portion of the Safe Restart Agreement funding provided by the Federal and Provincial governments, subject to confirmation of eligibility requirements.

<b>CONCLUSION</b>
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As described above, Fleet & Operational Services, having consulted with the Service Areas, and Purchasing and Supply are recommending that City continue to rent compact cars from Discount Car and Truck Rentals as per the single source provisions of the Procurement of Goods and Services Policy.

<b>SUBMITTED BY:</b>	<b>REVIEWED &amp; CONCURRED BY:</b>
<b>MIKE BUSHBY, BA DIVISION MANAGER, FLEET &amp; OPERATIONAL SERVICES</b>	<b>JAY STANFORD, MA, MPA DIRECTOR, ENVIRONMENT, FLEET &amp; SOLID WASTE</b>
<b>RECOMMENDED BY:</b>	
<b>KELLY SCHERR, P. ENG., MBA, FEC MANAGING DIRECTOR, ENVIRONMENTAL &amp; ENGINEERING SERVICES &amp; CITY ENGINEER</b>	

c: John Freeman, Manager of Purchasing & Supply  
Steve Mollon, Manager of Fleet Planning