

# **R** E Q U E S T F O R Q U O T A T I O N

Heating Oil – Rural and Native Housing Units on P.E.I.

Date issued: April 25, 2016

Solicitation Closes: May 13, 2016

Solicitation File # : 201601027

Originating Department: CMHC

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Security Classification: PROTECTED

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Canada 



**All requirements in this RFQ are mandatory.**

### **SCOPE OF WORK**

Canada Mortgage and Housing Corporation (CMHC) wishes to enter into an agreement in the form of a Contract with a company to provide automatic delivery of furnace oil to 108 of its Rural and Native Housing Rental units located in Prince, Queens and Kings Counties in Prince Edward Island (full list of Civic addresses of rental properties in attached “**Schedule A**”).

The resulting contract from this RFQ process will be for two (2) years (initial period) with the possibility of one (1) one year option renewal, not to exceed a cumulative total of three (3) years.

Anticipated Commencement Date: June 13, 2016

Anticipated Completion Date: July 12, 2018 (with option to renew for one additional year)

### **DELIVERABLES**

1. Quotation to provide automatic delivery of furnace heating oil to 108 CMHC-owned rental units located across Prince Edward Island in all three counties.
2. Furnace oil delivery shall be automatic on temperature degree basis.
3. All units have 900 litre oil tanks located in the basements.
4. The successful contractor will invoice electronically and separately for each unit; delivery slips must show a meter reading.

The successful vendor, in delivering fuel(s) under the contract, shall protect property so that no damage is done. Any damages occurring by failure to keep adequate fuel supplied, i.e., allowing tank to run dry, shall be at the successful vendor’s expense under the supervision of the customer. Should the successful vendor fail to make good on the damage, the client may have the damage repaired and deduct the cost of same from monies then or thereafter owing to the successful vendor.

Response to this RFQ, must include a contingency plan regarding failure to deliver product, including but not limited to: product availability, delivery capability, or combinations thereof resulting from supply disruptions, electrical failures, strikes, etc. Refer to **Appendix A**.

Response to this RFQ must also include a fuel spill prevention plan and procedures plan to follow in the event of an accidental fuel spill. If the vendor company does not presently have a plan, refer to **Appendix B**.

The successful vendor must report any fuel spill, either at the fuel fill or released through vent pipes by overfilling the tanks, to the P.E.I. Provincial Environment Division call line: (902) 368-5059, after hours: 1-800-565-1633, as well as the CMHC contact.

## PRICE QUOTATION

Quotes will be based on the Tank Wagon Price less a discount, exclusive of GST. (Tank Wagon Price refers to IRAC's Posted Consumer Petroleum Prices - Maximum Consumer Base Schedule + Federal Excise Tax + Provincial Excise Tax. This pertains to Regular Unleaded Gasoline, Premium Unleaded Gasoline, Ultra Low- Sulphur Diesel, Stove Oil, and Furnace Oil.)

The successful vendor will be able to support price changes throughout the duration of the contract. All tendered prices are to represent price per litre, delivered and placed in the client oil tanks.

CMHC rental units are occupied primarily by families with an average vacancy rate of 3-7%, with the majority having oil-fired hot water heaters. CMHC will advise the successful proponent on a regular basis of which units on Schedule A are vacant and require less frequent deliveries.

Submissions will be evaluated based on the discount and the discount is to remain firm for the two year contract period, with a possible one-year contract extension. The pricing proposal is to be completed on the attached **Appendix C** and included in the proponent's response.

## SUBMISSION INSTRUCTIONS

Proponents are required to submit their **signed** quote to EBID@cmhc-schl.gc.ca, by **2:00 pm EDT, May 13, 2016**. The subject line of the transmission must state: **RFQ, file #201601027**.

**Please be advised that EBID has a size limitation 10 MB. It is advisable and recommended that proponents submit their quote in multiple smaller files.**

Timely and correct delivery of quotes to the exact specified quotation delivery address is the sole responsibility of the proponent. All risks and consequences of incorrect delivery of quotes are the responsibility of the proponent. CMHC will not assume or have transferred to it those responsibilities. All registered times will be in accordance with the time CMHC computer servers **receive** the submission, not the time the quotation was sent by the proponent\*. Submissions received after 2:00 pm EDT, May 13, 2016 will not be accepted.

\* Please be advised that electronic transmissions may not necessarily be immediate and can experience lengthy delivery delays. Proponents should ensure that sufficient delivery time is allowed for quotations to be received.

**Format**

Quotations may be submitted in MS Word or Adobe Acrobat PDF in English or in French.

NOTE: In certain email programs the “Send” format may need to be specified as either “HTML” or “Plain Text”. Rich Text formatted or Compressed (Zipped) documents cannot be opened by CMHC.

**PROPONENT SELECTION**

The policy pertaining to the selection of suppliers is based on the principle that all suppliers must be treated fairly and equally. Suppliers are defined as an individual or firm that could provide, or has provided, goods or services or construction under contract.

CMHC utilizes the Supplier Information (SI) database, maintained by **Business Access Canada** as the Official CMHC source list. All proponents **must** be registered with **Business Access Canada** prior to submitting a proposal. The Procurement Business Number (PBN) provided by **Business Access Canada** must be included with your proposal. If you are not registered, and you wish to do so, you may access **Business Access Canada** (<https://buyandsell.gc.ca/>) or you may call their Information Line at: 1-800-811-1148). Present Suppliers not registered with Business Access Canada are required to self-register on the SI via the Business Access Canada Web site.

CMHC shall conduct the RFQ process in a visibly fair manner and will treat all proponents equitably. It is intended that the lowest cost quotation will be accepted, however, CMHC reserves the right to accept or reject any or all quotations and to verify that the supplier is able to meet the conditions outlined in the RFQ prior to awarding a contract.

Without changing the intent of this RFQ or the lead proponent’s quotation, CMHC will enter into discussions with the lead proponent for the purpose of finalizing the contract. If at any time CMHC decides that the lead proponent cannot satisfy CMHC’s requirements, CMHC may terminate negotiations. If at this time CMHC feels that the secondary proponent may meet the requirements, CMHC will continue the process with the secondary proponent and so on.

Announcement of the successful proponent will be made to all proponents following the signing of a contract.

## **TERMS AND CONDITIONS OF THE REQUEST FOR QUOTATION**

### **1. INVOICING**

The Contractor must allow 30 days from delivery of invoice for payment without interest charges. The Contractor may not invoice prior to performance of the service or delivery of the goods. Contractor is to provide electronic invoices on a semi-annual basis per rental address.

### **2. NON-COMPLIANCE OR DEFAULT BY CONTRACTOR**

If the Contractor fails to comply with a direction or decision of CMHC properly given under the terms of this RFQ, or is in default in any other manner under any ensuing contract, CMHC may do such things and incur such costs as it deems necessary to correct the Contractor's default, including without limitation the withholding of payment due or accrued due to the Contractor for services rendered pursuant to the contract, which moneys may be set off by the Corporation against any expenses that it may incur in remedying a default or failures as described above.

### **3. OWNERSHIP**

(a) Any and all information prepared exclusively for the Corporation shall remain the property of the Corporation and all copyrights thereto are the property of the Corporation and neither the Contractor nor its servants or agents shall divulge, release or publish any such documentation.

(b) Any and all information relating to the Corporation and obtained by the Contractor during the course of execution of its duties under any ensuing contract shall remain the property of the Corporation and shall not be used in any way or disclosed to anyone without the prior written consent of the Corporation.

### **4. DELIVERY**

Unless instructed otherwise, delivery of the services and/or goods hereunder shall be made free and clear of all liens and encumbrances, in the manner and to the destination stipulated. CMHC reserves the right to refuse pre shipment and, in addition to any other remedy or remedies which CMHC may have, CMHC reserves the right to cancel any ensuing contract in whole or in part if deliveries are not made as stipulated in any ensuing contract.

### **5. CONFIDENTIALITY**

All plans, drawings, specifications and other information, patterns, dies and other tools supplied by CMHC, and any information derived therefrom are confidential to CMHC and shall not be disclosed by the Contractor to any third party without the prior written consent of CMHC, or made use of by the Contractor except for the purpose of executing the work hereunder. All such plans, drawings, specifications and other information, patterns, dies and other tools shall be and remain the property of CMHC and shall be returned by the Contractor to CMHC upon request.

### **6. INSPECTION AND ACCEPTANCE**

All goods and/or services supplied under any ensuing contract are subject to inspection and acceptance by CMHC within a reasonable time after receipt thereof. CMHC will notify the Contractor in writing of the rejection of any goods and/or services which are not in accordance with the description or specifications stipulated in any ensuing contract, and such goods and/or services will then be held at the Contractor's risk for disposition by it and subject to all charges accruing as a result of such rejection.

### **7. WARRANTY**

The Contractor warrants and guarantees that the goods and/or services supplied under any ensuing contract are fit for the particular purpose or use for which they are purchased by CMHC and will perform in accordance with specifications and the Contractor also warrants and guarantees the goods against any and all defects in material, workmanship or design. This warranty and guarantee is in addition to any and all warranties and guarantees of the Contractor arising by operation of law and nothing contained herein shall be construed as limiting or restricting such warranties or guarantees or any right or remedy which CMHC may have.

## **8. INSURANCE**

### **A) Commercial General Liability Insurance**

The Proponent will provide and maintain Commercial General Liability insurance with an insurer licensed to do business in Canada with a limit of not less than \$5,000,000 per occurrence for bodily injury or damage to property including loss of use of such property. This policy shall include the following extensions:

- cross liability including severability of interest
- personal Injury
- broad form property damage including completed operations
- blanket contractual liability
- employers liability (or confirmation that all employees including sub-contractors and independent contractors are covered by Workers Compensation)
- non owned automobile liability
- Canada Mortgage and Housing Corporation to be added as additional insured.
- 30 days prior written notice of cancellation to CMHC's Senior Advisor, Corporate Insurance, 700 Montréal Road, Ottawa, Ontario K1A 0P7
- contractors liability to include operations of independent contractors (if not provided then each subcontractor must provide a certificate of insurance confirming that they have liability insurance as detailed in the RFP).

### **B) Automobile Insurance**

The Proponent will provide and maintain Automobile Insurance with an insurer licensed to do business in Canada with limits of not less than \$5,000,000 Third Party Liability for all motor vehicles used by the Proponent in the performance of this Contract.

### **C) Contractors Pollution Liability**

The Proponent will provide and maintain a Contractors Pollution Liability insurance with an insurer licensed to do business in Canada insurance for a limit of not less than \$5,000,000 per event. Canada Mortgage and Housing Corporation is to be added as an additional insured.

Other conditions

If there are material changes in the scope of Services provided under this Agreement, CMHC may, via the Service Level Change Procedures, request changes to the minimum insurance coverages set out above.

All insurance policies required to be maintained by Proponent pursuant to this section shall be primary with respect to this Agreement and any valid and collectible insurance of CMHC shall be excess of Proponent's insurance and shall not contribute to it.

All Certificate of Insurance shall mention that insurers will provide CMHC with at least thirty (30) days' written notice prior to cancellation of any insurance referred to under Section 8. In addition Proponent shall provide written notice to CMHC forthwith upon learning that an insurer described in Section 8 intends to cancel, or intends to make or has made a material change to, any insurance referred to in Section 8.

A Certificate of Insurance meeting the above requirements shall be delivered to CMHC upon execution of this Agreement and for each renewal thereafter.

Without in any way restricting CMHC's direction to grant or withhold its consent to a request to subcontract pursuant to Section 8, the Proponent agrees that it shall contractually obligate any subcontractor or independent contractor retained in connection with this Agreement to maintain insurance against such risks and in such amounts that having regard to such subcontractor's or independent

contractor's involvement in the provision of the Services could reasonably be expected to be carried by Persons acting prudently and in a similar business to that of such subcontractor or independent contractor.

It shall be the sole responsibility of the Proponent to decide whether or not any other insurance coverage, in addition to the insurance requirements stipulated herein, is necessary for its own protection or to fulfill its obligation under the contract. All insurance policies shall be provided and maintained by the Proponents at its own expense.

**9. INCOME TAX REPORTING REQUIREMENT**

As a federal Crown Corporation, CMHC is obliged under the Income Tax Act and Regulations to report payments made by the Corporation to suppliers of goods and/or services by using a T1204 supplementary slip. CMHC must therefore obtain the necessary information from suppliers (including the Contractor's social insurance number and/or corporate identification number) in order to allow it to complete the T1204 supplementary slip. The Winning Proponent will be required to complete and sign a Supplier - Direct Deposit and Tax Information Form (CMHC/SCHL 3085) prior to execution of any ensuing contract.

**10. COMPLIANCE WITH LAWS**

The Contractor shall comply fully with all applicable laws, ordinances, rules, regulations, code and standards, whether federal, provincial, or local, and shall furnish CMHC such evidence of compliance as CMHC may require at any time.

**11. INDEMNITY**

The Contractor shall indemnify and save harmless CMHC from and against all claims, debts, demands, suits, actions and causes of action whatsoever and all losses, costs, damages, expenses and liabilities which may be suffered or incurred by CMHC, arising out of or in connection with (whether directly or indirectly, or by reason of negligence or otherwise) the supplying of goods under any ensuing contract or any matter or thing done, suffered or permitted or omitted to be done by, or the operations of the Contractor, its subcontractors, or its or their employees or agents, under said contract.

**12. TERMINATION**

If the Contractor shall become insolvent or shall make any assignment for the benefit of creditors or a receiver or trustee shall be appointed for all or part of its property, or if the contractor shall default in the observance or performance of any of its obligations hereunder, the contract may forthwith be cancelled at the option of CMHC without liability.

**13. ASSIGNMENT**

The Contractor may not assign the whole or any part of its rights or obligations arising out of any ensuing contract without the prior written consent of CMHC.

**14. DECLARATION RE: BID RIGGING, COLLUSION AND GRATUITIES**

In submitting its quotation, the Contractor certifies that:

- (a) prices as submitted have been arrived at independently from those of any other Contractor;
- (b) the prices as submitted have not been knowingly disclosed by the Contractor, and will not knowingly be disclosed by the Contractor prior to award, directly or indirectly, to any other Contractor or competitor; and
- (c) no attempt has been made, nor will be made, to induce any other person to submit, or not to submit, a quotation, for the purpose of restricting competition.
- (d) In submitting its quotation, the proponent certifies that no representative for the Contractor has offered or given a gratuity (e.g. an entertainment or gift) to any CMHC employee, Board member

or Governor-in-Council appointee; and intended, by the gratuity, to obtain a contract or favourable treatment under a contract.

**15. ACCESS TO CMHC PROPERTY**

CMHC agrees to permit access by the Contractor's employees onto CMHC's premises for the purpose of fulfilling its obligations under any ensuing contract. However, CMHC reserves the right to refuse entry of the Contractor's personnel in cases of emergencies. CMHC further reserves the right to remove from and/or refuse entry to the work site, at any time, any Contractor's personnel who are incompetent or intemperate, or who violate CMHC's Safety and/or Security regulations or interfere with CMHC's operations.

The Contractor shall be fully responsible to CMHC for the acts and omissions (including negligence) of its subcontractors and of persons directly or indirectly engaged by such subcontractors as if such acts and omissions were those of the Contractor.

**16. CMHC PROPERTY**

The Contractor shall be responsible for all loss or damage to CMHC's property delivered to, or in custody of, the Contractor in connection with a contract from the time of such delivery or custody until said property is returned to CMHC.

**17. INDEPENDENT CONTRACTOR**

Any ensuing contract is an agreement for the provision or performance of goods and/or services and neither the Contractor, nor any of its employees, officers, or agents is engaged as an employee or agent of CMHC. The Contractor agrees to so advise its employees, officers, and agents.

**18. EXTRAS**

Except as otherwise provided in any ensuing contract, no payment for extras shall be made unless such extras and the price thereof have been authorized in writing by CMHC.

**19. SECURITY CLEARANCE**

The Contractor agrees that it or any other persons for which it is responsible who are to perform the Contractor's obligations under any ensuing contract shall not be acceptable to CMHC unless, at the request of CMHC, those persons have received a security clearance from CMHC's Corporate Security and Risk Management. It is agreed that should the Contractor or any other person who is to perform work under any ensuing contract and for whom the Contractor is responsible, fail to receive such a security clearance, that CMHC shall have the sole discretion to exclude such person from performing any work on any ensuing contract, or to terminate an existing contract immediately.

**20. SEVERABILITY**

If any provisions of the Terms and Conditions of any ensuing contract shall for any reason be held illegal or unenforceable, such provision shall be deemed separable from the remaining provisions of the Terms and Conditions of any ensuing contract and shall in no way affect or impair the validity or the enforceability of the remaining provisions of the contract.



**Appendix “A” – MANDATORY COMPLETION**  
**Contingency Plan**

Vendors shall develop a contingency plan for incidents that may disrupt product flow to CMHC’s rental units, and advise the appropriate contact in the event of an actual disaster. This plan is not to include those incidents which are beyond the vendors control such as fire, flood, blizzard, etc.

1. Provide a list of events that will stop the vendor from carrying out normal business activities:

2. What impact will these events have on the delivery of fuel?

3. Contingency Plan Actions:

**Appendix “B”**

**Fuel Spill Prevention Plan and Procedures – MANDATORY COMPLETION**

Prevention is the key to limiting the potential of having a fuel spill. Provide a prevention plan for fuel spill and accidental releases, as well as procedures to follow in the event of an accidental fuel spill.

**Fuel Spill Prevention Plan**

**Appendix “C”**  
**Pricing Proposal MANDATORY COMPLETION**

Tank Wagon Price (per Litre)	Discount (per Litre)	Net Price (per Litre)

*Quotes will be based on the Tank Wagon Price less a discount, exclusive of GST. (Tank Wagon Price refers to IRAC’s Posted Consumer Petroleum Prices - Maximum Consumer Base Schedule + Federal Excise Tax + Provincial Excise Tax. This pertains to Regular Unleaded Gasoline, Premium Unleaded Gasoline, Ultra Low- Sulphur Diesel, Stove Oil, and Furnace Oil.)*