



Staff Report for CAO Delegated Authority

Appendix D

Date of Report: October 23, 2018

Report Number: SRCS.18.21

Department: Community Services
Division: Public Works Operations

Subject: SRCS.18.21 – Sole Source Acquisition of Parts & Maintenance Services for Highly Specialized Equipment

Purpose:

The Fleet and Supplies Section is seeking approval to acquire parts and maintenance services for highly specialized equipment already in use at the Town.

Recommendation(s):

- a) That the sole source acquisition of parts, maintenance services including the purchase of ancillary attachments for highly specialized equipment be authorized pursuant to the Procurement By-Law #113-16, Appendix B, Part 1 - Sole Source Acquisitions, Section c) to ensure the compatibility with existing products to recognize exclusive rights such as patent, copyright or license, or to maintain specialized products that must be maintained by the manufacturer or its representative; and
- b) That the Chief Administrative Officer be authorized to execute any and all necessary documentation to affect the contract including any exercised optional term(s).

Contact Person:

Grant Taylor, Director of Public Works Operations, Extension 2966

Submitted by:

Umar Simanovskis
Commissioner of Community Services

Approved by:



Neil Garbe

Chief Administrative Officer

Background:

The Fleet and Supplies Section procures all non-emergency vehicles and equipment (assets) for the Town of Richmond Hill and its internal users. When assets are procured either through capital replacement or in conjunction with growth, the Town follows a competitive process to determine the preferred vendor. There are several circumstances when highly specialized assets have been acquired for specific maintenance objectives e.g., street sweeping that will collect litter, leaves and fine material; Elgin Eagle Mechanical Sweeper SRCS.15.43. Staff have found it challenging when procuring single/sole source services through an exclusive vendor or original equipment manufacturer (OEM) during the asset lifecycle. Once an asset is acquired, in many cases, the award includes provisions for parts and servicing over the asset life cycle due to exclusivity rights. In many cases, parts and services cannot be obtained other than through the OEM or its authorized, exclusive territorial dealers. In this case, the OEM becomes the sole source vendor. The table below identifies each manufacturer, distributor and the planned renewal term for the target asset lifecycle; maximum 5 years.

Manufacturer	Distributor	Contract Term
Trackless, Vactor, Elgin	Joe Johnson Equipment Inc.	5 Years
Toro	Turf Care Canada Inc.	5 Years
Viking-Cives Plows & Roll-off Equipment	Viking-Cives Ltd.	5 Years
Freightliner Trucks	Currie Truck Centres	5 Years
MACK Trucks	Mid-Ontario Mack Trucks Ltd.	3 Years
Haul-All	NexGen Municipal Inc.	5 Years
Caterpillar	Toromont Cat	5 Years
Case	Strongco Equipment Ltd.	5 Years
John Deere Industrial, Bandit	Nortrax Ltd.	5 Years
ROADA AVL/GPS Units and Monitoring	DM&T Ltd.	2 Years
Polaris	ATC Corral Ltd.	5 Years
Kubota	B.E. Larken Equipment	5 Years
John Deere Farm Equipment	Hutchinson Farm Supply	5 Years

Financial/Staffing/Other Implications:

The estimated annual value of the sole source acquisition is \$380,000 for parts, maintenance services and related ancillary attachment purchases from the above list of manufacturers. The Town receives preferred pricing over MSRP.

These services are budgeted annually within the Public Works Operations operating budget and are included in the 5-year Fleet forecast.

Relationship to the Strategic Plan:

The sole source acquisition as identified in this report aligns with the Town's Corporate Strategic Plan, Goal Four – Wise Management of Resources in Richmond Hill through an ongoing commitment to responsible municipal management.

Conclusion:

That the sole source acquisition for the listed manufacturers, as detailed in this report, be approved.

