



Staff Report for Committee of the Whole Meeting

Date of Meeting: September 6, 2023

Report Number: SRCS.23.19

Department: Community Services
Division: Public Works Operation

Subject: **SRCS.23.19 – Sole Source Acquisition of Parts and Maintenance Services for Highly Specialized Equipment**

Purpose:

The Public Works Support Services Section is seeking approval for a non-competitive acquisition of parts and maintenance services for highly specialized equipment already in use at the City, with a value greater than \$100,000, in accordance with Procurement By-Law No. 113-16.

Recommendation(s):

- a) That the contract for the provision of parts and maintenance services for highly specialized equipment, including ancillary attachments, be awarded non-competitively to Joe Johnson Equipment, Viking-Cives Ltd., Brandt Tractor, and Turf Care Canada Inc., for a term of five (5) years and for a cost not exceeding \$3,330,000 (exclusive of taxes), pursuant to Appendix "B", Part I, section (c) of Procurement By-Law No. 113-16; and
- b) That the Commissioner of Community Services be authorized to execute any and all necessary documentation to affect the contract.

Contact Person:

Frank Quarisa, Director, Public Works Operations

Report Approval:

Submitted by: Tracey Steele, Commissioner of Community Services

Approved by: Darlene Joslin, City Manager

All reports are electronically reviewed and/or approved by the Division Director, Treasurer (as required), City Solicitor (as required), Commissioner, and City Manager. Details of the reports approval are attached.

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Background:

The Public Works Support Services Section (formerly Fleet and Supplies) procures all non-emergency vehicles and equipment (assets) for the City of Richmond Hill and its internal users. When assets are procured either through capital replacement or in conjunction with growth, the City follows a competitive process to determine the preferred vendor. There are several circumstances when highly specialized assets have been acquired for specific maintenance objectives, for example the Elgin Eagle Mechanical Sweeper, used for street sweeping that will collect litter, leaves and fine material.

In many cases, exclusivity rights mean that parts and services can only be obtained through the original equipment manufacturer (OEM) or authorized territorial dealers.

Discussion:

As a result of exclusivity rights it is necessary to award sole source service and parts contracts to Joe Johnson Equipment, Viking-Cives Ltd., Brandt Tractor, and Turf Care Canada Inc. to ensure compatibility with sidewalk plows (Trackless), sewer cleaning equipment (Vactor), street sweepers (Elgin Eagle), dump trucks with custom plows and plow wings (Viking-Cives), windrow plows (John Deere), and most lawn maintenance equipment (Toro).

The City originally selected the above listed equipment according to the processes set out in the current procurement bylaw, as stipulated in that process the brands and their type of equipment each meet and / or exceed the listed requirements set out in their respective procurements. This includes requirements such as, technical specifications, superior quality, above average estimated useful life, efficient and effective parts and service, and specific and exclusive expertise related to their product. The table below identifies each manufacturer, distributor and the planned renewal term for the target asset lifecycle; maximum five (5) years.

Current Contract Details

Manufacturer	Distributor	Contract Term	Approved Funding
Trackless, Vactor, Elgin	Joe Johnson Equipment	5 Years	\$445,000
Viking-Cives Plows & Roll-off Equipment	Viking-Cives Ltd.	5 Years	\$45,000
John Deere Industrial	Brandt Tractor	5 Years	\$102,000
Toro	Turf Care Canada Inc.	5 Years	\$74,000

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Procurement By-law No. 113-16, Appendix “B”, Part I - Sole Source Acquisition clause (c) stipulates that sole source acquisitions may be made:

- to ensure 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;

Financial/Staffing/Other Implications:

The estimated annual value of the sole source acquisition is \$3,330,000 for parts, maintenance services and related ancillary attachment purchases from the above list of manufacturers. The City receives some preferred pricing over Manufacturers Suggested Retail Price (MSRP).

These services are budgeted annually within the Public Works Operations operating budget.

Relationship to Council’s Strategic Priorities 2020-2022:

This initiative will help meet the Council Strategic Priority of Fiscal Responsibility. Maintaining City assets in working order; repairing needs when they occur ensures vehicles are working at their highest possible level of efficiency and effectiveness. This also ensures that these assets last the full length of their expected service life (ESL) and should achieve a full return on their initial investment.

Climate Change Considerations:

This initiative considers climate change mitigation by maintaining City assets in working order; repairing needs when they occur ensures vehicles are working at their highest possible level of efficiency and effectiveness. These actions also remove the need for temporary replacement vehicles that will need to be mobilized from across the GTA or province to the City of Richmond Hill.

Conclusion:

The City originally selected the above listed equipment according to the processes set out in the current procurement bylaw, as stipulated in that process the brands and their type of equipment each meet and / or exceed the listed requirements set out in their respective procurements. This includes requirements such as, technical specifications, superior quality, above average estimated useful life, efficient and effective parts and service, and specific and exclusive expertise related to their product.

As such, staff are recommending that the contract for the provision of parts and maintenance services for highly specialized equipment, including ancillary attachments, be awarded non-competitively to Joe Johnson Equipment, Viking-Cives Ltd., Brandt Tractor, and Turf Care Canada Inc., for a term of five (5) years and for a cost not exceeding \$3,330,000 (exclusive of taxes), pursuant to Appendix “B”, Part I, section (c) of Procurement By-Law No. 113-16.

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Report Approval Details

Document Title:	SRCS.23.19 - Sole Source Acquisition of Parts and Maintenance Services for Highly Specialized Equipment.docx
Attachments:	
Final Approval Date:	Aug 23, 2023

This report and all of its attachments were approved and signed as outlined below:

Frank Quarisa - Aug 23, 2023 - 12:25 PM

Tracey Steele - Aug 23, 2023 - 1:04 PM

Darlene Joslin - Aug 23, 2023 - 2:07 PM