

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF NOVEMBER 21, 2017

Item 7, Report No. 10, of the Finance, Administration and Audit Committee, which was adopted without amendment by the Council of the City of Vaughan on November 21, 2017.

7 REQUEST FOR APPROVAL OF SINGLE SOURCE PROCUREMENTS OF ORIGINAL EQUIPMENT MANUFACTURERS (OEM) PARTS, REPLACEMENT PARTS, SERVICE AND EQUIPMENT FOR FIRE APPARATUS

The Finance, Administration and Audit Committee recommends approval of the recommendation contained in the following report of the Deputy City Manager, Community Services and the Fire Chief, dated November 6, 2017:

Recommendation

The Deputy City Manager, Community Services and the Fire Chief, in consultation with the Director of Procurement Services and the Director of Financial Planning and Development Finance and the Deputy City Treasurer, recommend:

1. That single source agreements for original equipment manufacturer (OEM) parts, replacement parts, service and equipment for Fire Apparatus be awarded for a period of five (5) years to the vendors for the amounts as specified in Table 2, and
2. That the Director of Procurement be authorized to finalize and sign any necessary agreements.

Contribution to Sustainability

Recommendation neither impacts or effects sustainability as outlined in priorities set by Council.

Economic Impact

Funds for these projects are available in the approved annual operating and capital budgets.

Communications Plan

The report is available publicly on the Agenda, Minutes & Extract page of the City's website (www.vaughan.ca).

Purpose

The purpose of this report is to request Council's approval to award the single source agreements for the provision of parts and services to the vendors named in Table 2.

Background - Analysis and Options

The City owns, operates, maintains and repairs a fleet of 25 Smeal fire vehicles, the majority of which are built on a Spartan cab and chassis. In addition, the City is a recognized repair facility for Spartan vehicles since 2010, providing repair and maintenance services to other municipalities to repair and maintain their equipment.

As a recognized repair facility, the City strives to maintain the highest safety standards for its fire equipment and uses the highest quality OEM parts for its maintenance and repairs. History has shown that aftermarket parts are not of the same quality as OEM parts. Their quality and life is not the same and negatively impacts the fleets lifecycle, requiring replacement on a more

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frequent basis. The lower price of aftermarket parts is greatly offset by the more frequent need to replace these parts and the cost of labour required to conduct the repairs.

Other municipalities that use the City's repair facility also specify the need to use the OEM parts as this greatly reduces the associated insurance risks and avoids any warranty issues with the manufacturer.

The existing Single Source agreements are expiring on November 30, 2017:

Table 1: Existing Single Source Agreements

Item	Contract Number	Vendor	Item Description
1	SSA15-382	Profire Emergency Equipment	Supply of OEM Cab Chassis and Body Parts for Spartan Fire Vehicles
2	SSA15-265	Dependable Emergency Vehicles	OEM Parts Suspension
3	SSA15-563	Toromont Cat	Engine and Transmission Refurbishment of Heavy Duty Fire Trucks
4	SSA15-400	Thomasos Spring Services Ltd.	Repairs for Suspension of City's Fleet Fire & Rescue Vehicles
5	SSA15-266	Carmen Transportation Group	Engine Refurbishment
6	SSA15-383	Code 4 Fire and Rescue	1. Supply & Delivery of eDraulic Rescue Equipment and Replacement Parts 2. Replacement Parts and Refurbishment of Hydraulic Equipment
7	SSA15-564	S.N. Diesel Service	Engine and Transmission Refurbishment of Heavy Duty Fire Trucks
8	SSA15-384	Fort Garry Industries Ltd.	Supply & Delivery of Original Parts for Fire Trucks

Section 4.2.4 of the Corporate Procurement Policy states a single source agreement may be entered into if any of the following conditions are met:

- There is a need for standardization or compatibility with goods, services (c), or
- Where necessary to maintain an existing warranty from a previous vendor (d), or
- Where only one authorized dealer/seller is offering the goods or services (e), or
- The ability of a specific vendor to deliver within the requested time frames (f)

With limited vendors available to complete warranty work, supply parts and service emergency vehicles in a timely manner, entering into single source contracts with each of the following vendors enables the mechanical division of the VFRS to place back in to service millions of dollars of assets, in a more timely fashion. This allows for our most up to date apparatus to be on the road servicing the citizens.

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Table 2: Recommended Single Source Arrangements

Item	Vendor	Item Description	Annual Estimated Value* (CDN \$)
1	Profire Emergency Equipment	Supply of OEM Cab Chassis and Body Parts for Spartan Fire Vehicles	\$150,000 per year
2	Dependable Emergency Vehicles	OEM Parts Suspension	\$100,000 per year
3	Toromont Cat	Engine and Transmission Refurbishment of Heavy Duty Fire Trucks	\$120,000 per year
4	Thomasos Spring Service Ltd.	Repairs for Suspension of City's Fleet Fire & Rescue Vehicles	\$90,000 per year
5	Carmen Transportation Group	Engine Refurbishment	\$60,000 per year
6	Code 4 Fire and Rescue	1. Supply & Delivery of eDraulic Rescue Equipment and Replacement Parts 2. Replacement Parts and Refurbishment of Hydraulic Equipment	\$50,000 per year \$40,000 per year
7	S.N. Diesel Service	Engine and Transmission Refurbishment of Heavy Duty Fire Trucks	\$100,000 per year
8	Fort Garry Industries Ltd.	Supply & Delivery of Original Parts for Fire Trucks	\$60,000 per year
		TOTAL	\$770,000 per year

* Estimated amounts are based on historical data. Does not include applicable taxes.

Over the five year term, it is anticipated that the value of these agreements is \$3,850,000, or \$770,000 per annum.

Relationship to Term of Council Service Excellence Strategy Map (2014-2018)

This initiative is consistent with the Service Excellence Strategic Initiative: Operational Performance.

- STRATEGIC GOAL S2.1 Operational Performance - Service Delivery Options

Regional Implications

There are no Regional implications as a result of this report.

Conclusion

The single source agreements to the vendors identified in Table 2 would enable VFRS to perform the required repair and maintenance services on VFRS' and other municipalities fleet in a timely and cost-effective manner. It is beneficial to enter into long term contracts for parts and services regularly used in the repair and maintenance of fire apparatus.

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Attachments

None.

Report prepared by:

Andrew Zvanitajs, Deputy Fire Chief, ext. 6307
Chris Dennis, Chief Mechanical Officer, ext. 6193

REQUEST FOR APPROVAL OF SINGLE SOURCE PROCUREMENTS OF ORIGINAL EQUIPMENT MANUFACTURERS (OEM) PARTS, REPLACEMENT PARTS, SERVICE AND EQUIPMENT FOR FIRE APPARATUS**Recommendation**

The Deputy City Manager, Community Services and the Fire Chief, in consultation with the Director of Procurement Services and the Director of Financial Planning and Development Finance and the Deputy City Treasurer, recommend:

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Attachments

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Report prepared by:

Andrew Zvanitajs, Deptuy Fire Chief, ext. 6307
Chris Dennis, Chief Mechanical Offcier, ext. 6193

Respectfully submitted,

Larry Bentley, Fire Chief

Mary Real, Deputy City Manager