



**STAFF REPORT  
ACTION REQUIRED**

**Provision of Proprietary Parts and Service from  
Zamboni Company Limited**

<b>Date:</b>	November 1, 2012
<b>To:</b>	Government Management Committee
<b>From:</b>	General Manager, Parks Forestry and Recreation, and Director, Purchasing and Materials Management Division
<b>Wards:</b>	
<b>Reference Number:</b>	P:\2012\Internal Services\PMMD\gm12017pmmd (AFS # 16629)

**SUMMARY**

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The purpose of this report is to request authority to enter into a sole source contract with Zamboni Company Limited (Zamboni) being the only authorized dealer for the supply of proprietary parts and services to Zamboni Ice Resurface Machines, Ice Conditioner Boxes and Zamboni Ice Edgers in the total amount of \$563,000 net of HST and (\$572,908.80 net of HST recoveries) for a period of three years from November 1, 2012 to October 31, 2015.

City Council approval is required in accordance with Municipal Code Chapter 195- Purchasing, where the current request will exceed the Chief Purchasing Official's authority of the cumulative five year commitment limit under Section 1 of the Purchasing By-Law and also exceed the threshold of \$500,000 net of HST allowed under staff authority as per the Toronto Municipal Code, Chapter 71-Financial Control, Section 71-11.

## RECOMMENDATIONS

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**The General Manager, Parks Forestry and Recreation and Director, Purchasing and Materials Management Division recommend that:**

1. City Council authorize the General Manager, Parks, Forestry and Recreation to negotiate and enter into a sole source agreement with Zamboni Company Limited for the supply of proprietary parts and services to Zamboni Ice Resurface Machines, Ice Conditioner Boxes and Zamboni Ice Edgers, for a period of three years from November 1, 2012 to October 31, 2015 in the amount \$563,000.00 net of taxes and (\$572,908.80 net of HST recoveries), on terms and conditions satisfactory to the General Manager, Parks, Forestry and Recreation and in a form satisfactory to the City Solicitor.

### Financial Impact

The total potential contract award including all years identified in this report is \$636,190.00 including HST and all applicable taxes and charges. The total potential cost to the City is \$572,908.80 net of HST recoveries. Funding in the amount of \$40,704.00 net of HST recoveries is included in the 2012 Approved Operating Budget for Parks, Forestry and Recreation under cost centre grouping for PFR Equipment Maintenance (PR010-11.114) and cost element 2120. The additional funding in the amounts detailed in the table below will be requested in the 2013 to 2015 Operating Budget submissions for Parks, Forestry and Recreation under cost centre Facility Operations and PFR Equipment Maintenance and cost element 2120.

Year	Total Net of all taxes	Total Including HST & all Taxes	Total Net of HST Recoveries
2012	\$ 40,000.00	\$ 45,200.00	\$ 40,704.00
2013	\$160,000.00	\$ 180,800.00	\$ 162,816.00
2014	\$175,000.00	\$ 197,750.00	\$ 178,080.00
2015	\$188,000.00	\$ 212,440.00	\$ 191,308.80
TOTAL	\$563,000.00	\$ 636,190.00	\$ 572,908.80

The Acting Deputy City Manager and Chief Financial Officer have reviewed this report and agree with the financial impact information.

## **DECISION HISTORY**

The Purchasing and Materials Management Division (PMMD) issued Blanket Contract No. 47014424 in 2009, through the Sole Source Request process, to Zamboni Company Limited for the supply of proprietary parts to Zamboni Ice Resurface Machines, Ice Conditioner Boxes and Zamboni Ice Edges in the amount of \$490,000 net of HST and (\$498,624.00 net of HST recoveries). The contract was for the period of three years from June 19, 2009 to June 18, 2012. Ice resurfacers are acquired through a competitive bidding process. To ensure manufacturer's warranty for the resurfacers remains valid, OEM parts which are proprietary to Zamboni Company Ltd. are required. Prior to 2009 contract, parts were obtained by Divisional Purchase Order (DPO) however fewer Zamboni units were in the fleet inventory.

To assure the continuity of ice maintenance that meets health and safety standards, a sole source Purchase Order No. 6036001 in the amount of \$40,000 net of HST and (\$40,704.00 net of HST recoveries) was issued on October 30, 2012 to purchase parts for Zamboni equipment on health and safety consideration at the City's arenas and ice rinks. The inability to repair and perform regular maintenance of Zamboni equipment could result in further disrepair of the equipment and also have adverse affect on ice rinks.

## **ISSUE BACKGROUND**

The implementation of a contract is critical to the continued operation of all arenas and outdoor artificial ice rinks operated by the City of Toronto. At present, the division does not have the ability to purchase the necessary parts to repair and service this equipment.

In 2009, PMMD issued a Sole Source contract for three years in the amount \$490,000 net of HST and (\$498,624.00 net of HST) which expired on June 18, 2012. Parks, Forestry and Recreation (PF&R) in consultation with Purchasing and Materials Management Division (PMMD) determined that a competitive call should be issued to acquire these parts and service to determine if there are other distributors that can provide Zamboni parts and services.

The Request for Quotation (RFQ) # 6011-12-3151 was issued July 12, 2012 and closed July 27, 2012 at noon, local time, and was available for the download on the City's internet website. Two (2) firms downloaded the document from the PMMD website which resulted in only (1) one bid received from Joe Johnson Equipment Inc. After a review of the only bid received it was determined that the total bid price exceeded the available budget and therefore PF&R recommended that the call be cancelled. Subsequently, Zamboni Company Limited has advised that they will not provide Joe Johnson Equipment Inc with parts for resale as they do not offer dealer representation in Ontario. It is now the recommendation of PF&R that a new sole source contract be authorized due to the cancellation of RFQ # 6011-12-315, which exceeded the divisional budget allocation and because Zamboni Company Limited indicated that the Company does not offer dealer representation in Ontario for their OEM parts.

## COMMENTS

Zamboni Company Limited offers no dealer representation in Ontario. Zamboni Company Limited offers OEM parts only from their facility in Brantford Ontario and will honour warranties on the parts. The ability to purchase Zamboni proprietary parts ensures that warranty is maintained on the Zamboni equipment.

The pricing on all Zamboni parts, is done by a master pricing list that is reviewed periodically by Zamboni Company Limited. This price list is consistent across other municipalities in the GTA (City of Mississauga, City of Oakville, City of Brampton, City of Vaughan and Canadian Armed Forces facilities).

The Fair Wage Office has reported that the recommended firm has indicated that it has reviewed and understands the Fair Wage Policy and Labour Trades requirements and has agreed to comply fully.

## CONTACT

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## SIGNATURE

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Jim Hart  
General Manager, Parks, Forestry and Recreation

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Michael Pacholok  
Director, Purchasing and Materials  
Management