

Non-Competitive Contract to Purchase Rear-Mounted Aerial Apparatus for Toronto Fire Services, with Safetek Emergency Vehicles Ltd. and Reporting of Emergency Purchases of Aerial Devices

Date: June 15, 2021

To: General Government and Licensing Committee

From: Acting Fire Chief and General Manager, Toronto Fire Services; Chief Procurement Officer

Wards: All

SUMMARY

The purpose of this report is to seek City Council authority for the Fire Chief and General Manager, Toronto Fire Services (TFS) to negotiate and enter into a new non-competitive agreement with Safetek Emergency Vehicles Inc., for the supply and delivery of 105' rear-mounted aerial apparatus for one year, plus two (2) one year options in the amount of \$9,544,995 net of HST (\$9,712,987 net of HST recoveries). This purchase will assist TFS ensure the division's operational readiness to respond to emergency and critical incidents throughout Toronto, specifically with elevated water application and rescue incidents.

The 105' rear-mounted aerial apparatus is a standard tandem axle hydraulically operated ladder device used for municipal firefighting and emergency responses. TFS currently utilizes thirty five (35) Spartan/Smeal aerial apparatus in front line and spare functions. TFS is seeking a non-competitive contract for these apparatus for a number of reasons, with the main reason being to match with the existing unit inventory. Purchasing an apparatus model that matches existing in-service units will significantly reduce staff training requirements for both operational firefighters qualified to use the equipment, and Mechanical Division staff already trained to maintain them. TFS already stock proprietary repair parts for this product. Additionally, this brand has a local dealer/repair facility, which means warranty service and parts necessary for repairs or replacement are easier to access.

This report also seeks to inform City Council of two emergency non-competitive contracts that TFS has entered into for the purchase of two separate Aerial units for the combined amount of \$2,863,933 net of HST (\$2,914,338 net of HST Recoveries). Purchase Order No. 6052083 (NCP No.11706) with Fort Garry Fire Trucks in the amount of \$1,595,000 net of HST and Purchase Order No 6052084 (NCP No.11715) with Safetek Emergency Vehicles Ltd., in the amount of \$1,268,933 net of HST.

TFS significantly lacks aerial units due to frame corrosion issues, supply chain problems (reflecting delays in an existing order due to COVID), the long lead time for this type of purchase, and recent accident damage. Purchasing the quint aerial demonstrator units, which have already been built, will help bridge the gap between ordering these trucks and actual delivery, keeping these units in place for emergency response.

In order to ensure that TFS could meet the vehicle demand required to respond to emergencies, TFS needed to purchase two separate demonstrator model aerial trucks ahead of the longer term contract, which is recommended in this report. Section 195-7.4B of Chapter 195, Purchasing By-Law, which requires that any emergency, non-competitive bid over \$500,000 be reported to Council for information.

RECOMMENDATIONS

The Acting Fire Chief and General Manager, Toronto Fire Services and Chief Procurement Officer, recommend that:

1. City Council authorize the Fire Chief and General Manager, Toronto Fire Services to negotiate and enter into a non-competitive agreement with Safetek Emergency Vehicles, for the supply and delivery of two (2) 105' rear-mounted aerial devices on the following terms and conditions:

a. the initial term of the contract will be for one (1) year, commencing on July 19, 2021 to July 18, 2022, with the option to renew the contract for two (2) additional separate one (1) year terms for the purchase of up to two (2) additional 105' rear-mounted aerial devices during each option year, subject to the exercise of each option term at the sole discretion of the Fire Chief and General Manager, Toronto Fire Services, with subsequent years' funding requirements to be included in the future years' Capital Budget Submissions for TFS, as may be required with the amount of this non-competitive agreement being \$9,544,995 net of HST (\$9,712,987 net of HST recoveries) for the entire duration of the contract, inclusive of all option renewal terms; and

b. conditional upon terms and conditions that are satisfactory to the Fire Chief and General Manager, Toronto Fire Services and in a form satisfactory to the City Solicitor.

FINANCIAL IMPACT

The total potential contract award to Safetek Emergency Vehicles Inc. identified in this report, including all option years is \$10,785,844 including all applicable taxes and charges. The total potential cost to the City including option years is \$9,712,987 net of HST recoveries.

Funding for the initial term of the contract of \$3,081,042 net of HST recoveries is included in the 2021 Council Approved Capital Budget for Fleet Services.

Should the City choose to exercise the option years for an additional two (2) separate one (1) year periods, then appropriate funding will be included in the 2022 and 2023 Capital Budget Submissions for Fleet Services.

The cash flow funding requirements is summarized in Table 1.

Table 1: Financial Impact Summary

Term	Account	Qty:	Description	Cost, Net of HST Recoveries
1 FY2021	CFL014-21	2	Spartan/Smeal 105' Quint Aerial mounted on a custom Spartan Chassis	\$3,081,042
Option Year 1 FY2022	CFL014-22	2	Spartan/Smeal 105' Quint Aerial mounted on a custom Spartan Chassis	\$3,235,095
Option Year 2 FY2023	CFL014-23	2	Spartan/Smeal 105' Quint Aerial mounted on a custom Spartan Chassis	\$3,396,850
Totals				\$9,712,987

The cash flow funding requirements for the emergency non-competitive purchase of two (2) Aerial units for \$2,914,338 net of HST recoveries as summarized in Table 2 has been approved in NCP 11706 and NCP 11715 and is being reported below to inform to City Council of these commitments. Funding for these purchases is included in the 2021 Approved Capital Budget for Fleet Services.

Table 2: Financial Impact Summary

Apparatus	Account	Qty:	Description	Cost, Net of HST Recoveries
105' Spartan Demonstrator	CFL014-20	1	Spartan/Smeal 105' Quint Aerial mounted on a custom Spartan Chassis	1,291,266
116' Bronto Demonstrator	CFL014-20	1	116' Bronto Articulating Aerial Apparatus	1,623,072
Totals				2,914,338

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

At its meeting on September 30, 2020, City Council adopted item GL15.8, Non-Competitive Contract with Darch Fire Incorporated for the Purchase of Two Bronto Model Aerial Devices for Toronto Fire Services a 40 metre Bronto aerial apparatus unit and a 70 metre Bronto aerial apparatus.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.GL15.8>

At its meeting on August 24, 2016, Bid Committee adopted item BD97.5, and authorized the purchase of four (4) 105" Mounted Aerial Ladder Trucks (Request for quotation No. 6115-16-3094).

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.BD97.5>

At its meeting on March 26, 2014, Bid Committee adopted item BD172.2, and authorized the purchase of three (3) Rear Mounted Aerial Trucks (Request for quotation No. 6114-14-3005).

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2014.BD172.2>

At its meeting on July 6, 2010, City Council adopted item CD34.3, Authorization for Sole-Sourced Purchase of One Demonstrator Specialized Rescue Bronto Fire Apparatus for Emergency Rescues.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2010.CD34.3>

COMMENTS

The Toronto Fire Service (TFS) fleet is comprised of a range of job-specific vehicles including conventional 105' telescopic aerial ladders and articulating Aerial Devices, Pumper & Rescue trucks, Heavy Rescue Squad units, and specialized Support Units. These apparatus are used to respond to fire and life-safety emergencies, both residential and commercial. Elevating aerial devices are an indispensable emergency vehicle asset in response to the demands of an increasingly "vertical" city, used for elevated rescue and where substantial firefighting water stream application is required.

105' "quint" aerial apparatus are the backbone of the TFS aerial fleet with twenty-eight in front line service. This style of firefighting apparatus is referred to as a "quint" because of its five main components; an aerial device, a fire pump, an on-board water supply, fire hose, and a supply of ground ladders, and is standardized to the aerial units already used by TFS and will greatly reduce the mandatory training required for staff to operate the units, and TFS Mechanical Division staff are already experienced in the maintenance of these units given the operational and design similarity to existing TFS apparatus.

With an anticipated lifespan of fifteen years per aerial apparatus, TFS is required to purchase two units on average per year, simply to maintain the required fleet inventory, without accounting for the issues created by the emergency service use they endure.

TFS has a long history of acquiring these vehicles using the competitive solicitation process and awarding to the lowest vendor meeting specification. Safetek Emergency Vehicles Inc., won these competitive procurements offering the Spartan/Smeal "quint" apparatus.

In this situation, City staff are recommending to purchase an additional two Spartan/Smeal quints from Safetek Emergency Vehicles Inc., for the following reasons:

- To match the existing equipment TFS already uses and is familiar with maintaining; and
- To address the need to replace TFS's fleet of aging aerial apparatus as quickly as possible, given that production times for these custom made trucks is normally over twelve months from time of Purchase Order issuance.

To ensure a reasonable price and good value for the City of Toronto, the City was able to compare prices and other terms negotiated with Safetek Emergency Vehicles Inc. against prices offered for the same vehicle through SourceWell Buying Group, a cooperative purchasing group that the City of Toronto has used in other circumstances. The City confirmed that we are receiving the same pricing that is available on the SourceWell contract for these trucks.

Emergency Purchase of Aerial Apparatus

TFS is also reporting back on two emergency purchases. On May 5, 2021, two Purchase Orders were processed for two types of demonstrator model quint aerial trucks. These emergency purchases were made in order to secure the immediate replacement of two existing aerial apparatus. There was an immediate concern that TFS would not be able to meet the vehicle demand needed to respond to emergency events without placing these orders.

One of the aerial apparatus was a 116' articulating Bronto Skylift. TFS has two front line Bronto Skylift and a designated spare, all of which are past their normal service life and all have pending frame corrosion issues. It is almost certain at least one of the current front line Brontos will be permanently removed from service prior to delivery of the unit being delivered in 2022. TFS already had a 135' articulating Bronto Skylift on order from Darch Fire Incorporated, as approved by Council in September 2020 as part of GL15.8, which was designed to help bridge the gap between the delivery of the 135' unit and the decommissioning of the existing units, ensuring valuable apparatus is in place for emergency response. The expected delivery of that unit was Q3 or Q4 2021, but the delivery now has been delayed until Q2 2022 as a result of the impacts from COVID-19.

A second aerial apparatus, a conventional 105' straight aerial, was also involved in an accident and has been taken out of service. Together these issues converged creating the immediate need to purchase these demonstrator units to ensure service levels were not impacted.

The two demonstrator trucks required only minor Canadian and TFS modifications to be made prior to delivery. Additionally, there are no operational staff training issues, technician training issues, parts stocking concerns, or parts contract issues, as the units

are virtually identical to the apparatus currently used by TFS. This allows these trucks to be placed into service almost immediately after delivery. Both emergency vehicle purchases are funded from the TFS Capital Fleet account CFL014.

The procurements were processed as per Section 195-7.4 (b) of the Purchasing By-Law as summarized on the documentation for Non-Competitive Procurements (NCP) Nos.11715 and 11706 as follows:

- Purchase Order No. 6052084 with Safetek Emergency Vehicles Ltd. in the amount of \$1,268,933, and
- Purchase Order No. 6052083, with Fort Garry Fire Trucks Ltd in the amount of \$1,595,000 (exclusive of taxes).

The Fair Wage Office has reported that Safetek Emergency Vehicles has reviewed and understands the Fair Wage Policy and Labour Trades requirements. They have also agreed to fully comply.

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