



REPORT FOR ACTION

Non-competitive Contracts with Track Vehicle Repair and Leitner-Poma Canada Inc. for Proprietary Parts and Services

Date: September 8, 2017

To: Government Management Committee

From: General Manager, Parks, Forestry and Recreation; Director, Purchasing and Materials Management

Wards: 3, 10, and 16

SUMMARY

This report seeks City Council authority to enter into non-competitive contracts with Track Vehicle Repair and Leitner-Poma Canada Inc. from the date of contract issuance to April 30, 2018, with the option to renew for four (4) additional one (1) year periods. The contract with Track Vehicle Repair is for the supply of proprietary parts and services for the Pisten Bully 200 Snow Groomer (snow groomer) at Earl Bales Park in the amount of \$212,365 net of taxes (\$216,103 net of HST recoveries). The contract with Leitner-Poma Canada Inc. is for the supply of proprietary parts and services for the Leitner-Poma Lifts (lifts) at Earl Bales Park and Don Valley Golf Course in the amount of \$212,365 net of taxes (\$216,103 net of HST recoveries).

City Council approval is required in accordance with Municipal Code Chapter 195 Purchasing, where the current request exceeds the Chief Purchasing Official's authority of the cumulative five year commitment limit for each vendor, under Article 7, Section 7.3 (D) of the Purchasing By-Law or exceeds the threshold of \$500,000 net of HST allowed under staff authority as per the Toronto Municipal Code, Chapter 71-Financial Control, Section 77-11A.

RECOMMENDATIONS

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

1. City Council authorize the General Manager, Parks, Forestry and Recreation to negotiate and enter into an non-competitive agreement with Track Vehicle Repair and Leitner-Poma Canada Inc. from date of contract issuance to April 30, 2018, with the option to renew for additional four (4) separate one (1) year periods at the sole

discretion of the City and subject to budget approval(s) and on terms and conditions satisfactory to the General Manager, Parks, Forestry and Recreation and in a form satisfactory to the City Solicitor as follows:

a) for the supply of proprietary parts and services to the snow groomer at Earl Bales Park in the estimated amount of \$212,365 net of taxes (\$216,103 net of HST recoveries).

b) for the supply of proprietary parts and services for the lifts at Earl Bales Park and Don Valley Golf Course, in the estimated amount of \$212,365 net of taxes (\$216,103 net of HST recoveries).

FINANCIAL IMPACT

The total estimated contract value including all option years, identified in this report is \$424,731 net of HST (\$432,206 net of HST recoveries).

Funding in the amount of \$54,644 net of HST recoveries is included in the 2017 Approved Operating Budget for Parks, Forestry and Recreation. Funding for the remainder of the contract estimated at \$27,682 net of HST recoveries will be included in the 2018 Operating Budget submission for Parks, Forestry and Recreation.

Should the City choose to exercise its option to renew for an additional four (4) separate one (1) year periods, then appropriate additional funding, if needed, will be included in the 2018-2021 annual Operating Budget submission for Parks, Forestry and Recreation, under Cost Centre Facility Operations and Parks, Forestry and Recreation Equipment Maintenance, Cost Element 2120. Funding details follow in Table 1.

Table 1: Approved 2017 funding and estimated 2018-2021 funding, net of HST recoveries:

Cost Centre/ Cost Element	2017	2018	2019	2020	2021	2022	Total
P10908 P07646 P10913 P11551 P12024 P07645 P07646 P07647 P07648 P07649 C/E: 2120, 4403	\$54,644	\$83,047	\$85,539	\$88,105	\$90,748	\$30,123	\$432,206

The Deputy City Manager & Chief Financial Officer has reviewed this report and concurs with the financial impact information.

DECISION HISTORY

There is no decision history related to this matter.

COMMENTS

Track Vehicle Repair

The North York Ski and Snowboard Centre operates 4 months of the year out of Earl Bales Park. Everyday operation of the ski hill includes preparation and grading of the snow to ensure a safe, usable surface for participants.

The snow preparation is carried out using a Pisten Bully snow groomer. Staff use the snow groomer to level the snow surface using a front end blade, followed by a tiller to refine the snow and re-lay it in a uniform manner, and ending with a drag mat to provide the best snow surface possible. The surface is inspected on a regular basis to ensure it is safe for use. Without performing daily snow grooming, the snow would not be

conditioned for such use, and would be deemed unsafe, and therefore, closed by our mechanics and ski patrol staff.

The currently used snow groomer was purchased in 2002 through a Request for Quotation (RFQ), by Capital Fleet Purchasing Program. Track Vehicle Repair was the successful proponent for RFQ No. 6013-02-3384. The snow groomer has a twenty (20) year life span from the date of purchase. As with any mechanical equipment, breakdowns and failures occur from time to time.

The ski season is very limited and any delay of snow grooming service would result in closure of the ski hill to participants, and, in turn, would generate complaints. This would also result in lost revenue for the City. It is important to obtain parts and services in a timely fashion, quite often after hours, when there is a breakdown.

Track Vehicle Repair is the only authorized distributor of parts and services of the Pisten Bully snow groomer for North York Ski and Snowboard Centre. Immediate access to a contract to obtain service is required to keep the Centre operational.

The snow groomer is designed and manufactured by Pisten Bully and can only be repaired and maintained with Pisten Bully original equipment manufacturer (OEM) parts. As well, Track Vehicle Repair is the only authorized reseller and repair technician in the Province of Ontario.

Leitner-Poma

Parks, Forestry and Recreation currently operates and maintains four (4) lifts; North York Ski and Snowboard Centre has one (1) quad chair lift, one (1) double chair lift and one (1) rope tow. Don Valley Golf Course has one (1) rope tow lift used in assisting golfers travel uphill.

The purpose of these lifts is to carry users from the bottom of hills to the top. Lifts must meet the CSA (Canadian Standards Association) Z98 elevating devices code, which is legislated by the Province of Ontario and enforced by the Technical Standards and Safety Authority. Annual inspections of the lifts would entail verifying our logs for due diligence in monitoring the lifts and ensuring that any breakdowns are repaired by licenced mechanics using original equipment manufacturing. With the ski season so short, any delay of lifts being out of service and closed would generate many complaints from users as well as lost revenue for the City of Toronto.

All lifts are manufactured by Leitner-Poma Canada Inc and all equipment must be maintained with OEM parts to ensure warranty maintenance. Leitner-Poma does not have dealer representation and, therefore, is the sole supplier of parts and service for their lifts.

Staff will continue monitoring pricing for the parts and services in order to ensure costs remain fair and reasonable throughout the terms of the contracts.

In the event that other suitably qualified vendors (approved by the manufacturers / distributors) are identified, Parks, Forestry and Recreation staff will initiate a competitive call process in accordance with purchasing policies and procedures for the procurement of said goods and services.

The Fair Wage Office has reported that each 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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