



REPORT FOR ACTION

Non-Competitive Contract for the Provision of Proprietary Parts and Service from Zamboni Company Limited

Date: June 16, 2020
To: General Government and Licensing Committee
From: General Manager, Parks Forestry & Recreation Chief Purchasing Officer, Purchasing & Materials Management
Wards: All

SUMMARY

The purpose of this report is to request authority to enter into a non-competitive 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 \$917,366 net of Harmonized Sales Tax and (\$933,512.00 net of HST recoveries) for a period of five (5) years from November 1, 2020 to October 31, 2025.

Ice resurface machines are acquired through Fleet Services and are sourced through a competitive solicitation process. Parks, Forestry and Recreation Small Engine Mechanics maintain the equipment and must use Original Equipment Manufacturer (OEM) parts to ensure manufacturer's warranty for the resurfacers remains valid. This contract will ensure the continued operation of all arenas and outdoor artificial ice rinks operated by the City of Toronto.

City Council approval is required in accordance with Toronto Municipal Code, Chapter 71 Financial Control, Section 71-11A, where the total amount of \$917,366.00 net of Harmonized Sales Tax and (\$933,512.00 net of HST recoveries) exceeds staff authority.

RECOMMENDATIONS

The General Manager, Parks Forestry and Recreation and Chief Purchasing Officer, Purchasing and Materials Management Division recommends that:

City Council authorize the General Manager, Parks Forestry and Recreation to negotiate and enter into a non-competitive 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 five years from November 1, 2020 to October 31, 2025 in the amount of \$917,366.00 net of taxes and (\$933,512.00 net of Harmonized Sales Tax 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 estimated value of the proposed contract including all years identified in this report is \$1,036,624.00 including Harmonized Sales Tax and all applicable taxes and charges. The total estimated cost to the City is \$933,512.00 net of Harmonized Sales Tax recoveries.

Funding in the amount of \$29,305 net of Harmonized Sales Tax recoveries is included in the 2020 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 2021 to 2025 Operating Budget Submissions for Parks, Forestry and Recreation under the cost centre for 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
2020	28,798.00	32,542.00	29,305.00
2021	177,974.00	201,111.00	181,106.00
2022	183,313.00	207,144.00	186,539.00
2023	188,912.00	213,471.00	192,237.00
2024	194,477.00	219,759.00	197,900.00
2025	143,892.00	162,598.00	146,425.00
TOTAL	917,366.00	1,036,625.00	933,512.00

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

DECISION HISTORY

On November 3 and 4, 2015, City Council granted authority under GM7.8 for Parks, Forestry and Recreation to enter into an agreement with Zamboni Company Limited for the supply of proprietary parts to Zamboni Ice Resurface Machines, Ice Conditioner
 Non-Competitive Contract for the Provision of Proprietary Parts and Service of Zamboni Company Limited

Boxes and Zamboni Ice Edgers in the amount of \$719,389 net of taxes and (\$732,049.00 net of HST recoveries). Blanket Contract Number 47019733 was issued for the period of five years from November 1, 2015 to October 31, 2020.

Following is the link to City Council decision document:
2015 GM7.8 - Provision of Proprietary Parts and Services from Zamboni Company Limited

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.GM7.8>

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).

In 2019, six (6) new Zamboni ice resurfacers were purchased and have an expected 10 year life cycle. These units, added to our current fleet, total in excess of 100 ice resurfacer units within PFR city wide with an additional 6 to be purchased. Many of these units remain in service as redeployed units on the outdoor artificial ice rink program beyond their expected 10 year life cycle. In order to maintain these units both from a warranty perspective and beyond the expected life cycle, the part supplier must be able to provide proprietary original equipment parts in a timely fashion as to minimize impact to our service delivery.

Although a number of the Zamboni units in our current fleet have life expectancies beyond 2025, if another manufacturer was successful in the Fleet Procurement process or the authorized parts dealer landscape changed between this time and 2025, PFR Division would fully support seeking out vendors that could supply various components that meet or exceed original equipment specifications at a lower cost while also ensuring delivery in a timely manner.

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.

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SIGNATURE

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