

Non-competitive Contract with Inland Liferrafts and Marine Limited for the service of Life Rafts

Date: December 14, 2021
To: General Government and Licensing Committee
From: General Manager, Parks, Forestry, and Recreation, and Chief Procurement Officer, Purchasing and Materials Management
Wards: Ward 10, Spadina - Fort York

SUMMARY

The purpose of this report is to seek City Council approval for the General Manager, Parks, Forestry, and Recreation Division to negotiate and enter into a non-competitive agreement with Inland Liferrafts and Marine Limited for the pickup, inspection, service, and delivery of life rafts for five City of Toronto owned and operated ferries at the Jack Layton Ferry Terminal.

The agreement will be for a period of five years commencing on January 31, 2022 to January 30, 2027 for the total amount of \$343,000 excluding all taxes and charges, \$387,590 including HST (\$349,036 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 Officer's authority of the cumulative five year commitment for each supplier, under Article 7, Section 195-7.3 (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 71-11A.

RECOMMENDATIONS

The General Manager, Parks, Forestry, and Recreation, and the Chief Procurement Officer recommend that:

1. City Council authorize the General Manager, Parks, Forestry, and Recreation Division to negotiate and enter into a non-competitive agreement with Inland Liferrafts and Marine Limited for the pickup, service, and delivery of life rafts for ferries at the Jack Layton Ferry Terminal for a period of five years, commencing on January 31, 2022 to January 30, 2027 in the amount of \$343,000 excluding all taxes and charges, \$387,590 including HST (\$349,036 net of HST recoveries) on terms and conditions satisfactory to

the General Manager, Parks, Forestry, and Recreation Division and in a form satisfactory to the City Solicitor. The contract will be based on the condition that Inland Liferrafts and Marine Limited continues to be the exclusive distributor of DBC and Zodiac life rafts and specialized services.

FINANCIAL IMPACT

The total potential cost to the City identified in this report, \$343,000 excluding all taxes and charges, \$387,590 including HST (\$349,036 net of HST recoveries).

Annual funding for this contract award is included in the 2022 Staff Recommended Operating Budget for Parks, Forestry and Recreation and future year budget submissions. Funding details are summarized in Table 1 as follows:

Table 1: Financial Impact Summary

| Agreement Term | Cost Centre / WBS Element | Cost Element | Total Net of HST Recoveries |
|--|----------------------------------|----------------------|------------------------------------|
| First year term from January 31, 2022 to January 30, 2023 | P00012 (Marine Operations) | 4418 Marine Services | \$89,548 |
| Second year term from January 31, 2023 to January 30, 2024 | P00012 (Marine Operations) | 4418 Marine Services | \$ 40,704 |
| Third year term from January 31, 2024 to January 30, 2025 | P00012 (Marine Operations) | 4418 Marine Services | \$ 76,320 |
| Fourth year term from January 31, 2025 to January 30, 2026 | P00012 (Marine Operations) | 4418 Marine Services | \$40,704 |
| Fifth year term from January 31, 2026 to January 30, 2027 | P00012 (Marine Operations) | 4418 Marine Services | \$101,760 |
| Total | | | \$349,036 |

Table 1 reflects the expected replacement and maintenance cycle cost as per manufacturer's recommendations.

The Chief Financial Officer and Treasurer has reviewed this report which has multi-year financial implications and agrees with the information as presented in the Financial Impact Section.

DECISION HISTORY

There is no previous decision history.

COMMENTS

The City maintains a ferry fleet comprised of five vessels that transport approximately 1.4 million passengers annually. Standards for life rafts and other safety equipment required on the vessels, as well as inspection frequency, are set by Transport Canada, Lloyd's Register and The International Convention for the Safety of Life at Sea (SOLAS). The City's fleet is required to have its supply of 31 life rafts on the vessels inspected every two years, and 19 are required to be inspected every year. The City uses DBC and Zodiac life rafts.

This non-competitive contract includes the service and maintenance of all DBC and Zodiac life rafts, materials and equipment necessary to provide warranty and non-warranty services, including preventative maintenance inspections and repairs on City of Toronto Ferries operating out of the Jack Layton Ferry Terminal, in accordance with the provisions and specifications that will be contained in the legal agreement.

Parts and specialized services for these life rafts cannot be obtained through a competitive procurement process because Inland Liferrafts and Marine Limited is the only authorized Zodiac and DBC service and repair vendor in Ontario.

Pricing submitted by Inland Liferrafts and Marine Limited includes discounted labour rates. Parks, Forestry, and Recreation has reviewed the pricing and confirmed it is comparable to historical rates, current market, other municipalities as well as other Original Equipment Manufacturer (OEM) vendors for repair and maintenance of highly specialized construction equipment.

The Fair Wage Office has reported that Inland Liferrafts and Marine Limited 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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