

Non-Competitive Contract with Wachs Canada Ltd. for Replacement of Parts and Equipment for all Water Trucks for the Toronto Water Division

Date: October 16, 2023

To: General Government Committee

From: General Manager, Toronto Water and Chief Procurement Officer

Wards: All

SUMMARY

The purpose of this report is to request City Council authority to enter into a non-competitive contract with Wachs Canada Ltd. for replacement parts and equipment for all water trucks on behalf of Toronto Water Division. The contract will be for an initial period of two (2) years, commencing on the date of award to July 31, 2025, with three (3) separate optional one (1) year renewals, in the total amount of \$1,506,345 net of Harmonized Sales Tax (\$1,532,857 net of Harmonized Sales Tax recoveries).

The contract was originally awarded to Wachs Canada Ltd. on February 28, 2021, where the City entered into the non-competitive Blanket Contract number 47023553 with Wachs Canada Ltd., the exclusive distributor of Wachs equipment.

The new contract is requested to continue procurement of replacement parts and equipment for all trucks which come equipped from Fleet Services with Wachs Canada Ltd. winders equipment installed. Wachs is the sole distributor and exclusive supplier for the repair components for their own equipment. A proprietary letter confirms the exclusive distributorship of Wachs Canada Ltd. for the parts and equipment required.

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, Toronto Water and the Chief Procurement Officer recommend that:

City Council authorize the General Manager, Toronto Water to negotiate and execute a non-competitive agreement from the date of award to July 31, 2025, with Wachs Canada Ltd., for an initial contract period of two (2) years, commencing on the date of award to July 31, 2025, with three (3) separate optional one (1) year renewals in the amount of \$1,506,345 net of Harmonized Sales Tax (\$1,532,857 net of Harmonized Sales Tax recoveries), on terms and conditions satisfactory to the General Manager, Toronto Water, in a form satisfactory to the City Solicitor.

FINANCIAL IMPACT

The total potential contract value identified in this report is \$1,506,345 net of Harmonized Sales Tax. The total potential cost to the City including the optional periods is \$1,532,857 net of Harmonized Sales Tax Recoveries.

Funding is available in the 2023 Approved Operating Budget for -Toronto Water. Additional funding will be included in the 2024-2025 Operating Budget Submissions for Toronto Water. Should the optional periods be exercised, additional funding will be included in the 2025-2028 Operating Budget Submissions for Toronto Water. Additional funding details are provided in Table 1 to follow.

Table 1: Financial Impact Summary of Recommended Contract (Net of Harmonized Sales Tax Recoveries)	Initial Period	Initial Period	Initial Period	Option Year 1	Option Year 2	Option Year 3
Cost Centre/ Cost Element	Date of award to December 31, 2023	January 1, 2024 to December 31, 2024	January 1, 2025 to July 31, 2025	August 1, 2025 to July 31, 2026	August 1, 2026 to July 31, 2027	August 1, 2027 to July 31, 2028
TW1030 TW2025	\$51,759			\$298,909	\$328,799	\$361,679

TW2030						
TW2035						
TW2040		\$310,554	\$181,157			
TW2050						
TW2055						
TW2060						
TW6050						
C/E 3080						
Total						\$1,532,857

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

DECISION HISTORY

Non-competitive contract 47023553 was issued on February 28, 2021 to Wachs Canada Ltd. in the amount of \$300,657 net of all taxes and charges for the provision of replacement equipment and parts for all Toronto Water Division trucks that come equipped with Wachs Canada Ltd. winders equipment installed.

COMMENTS

The goods being purchased through this contract will cover the replacement components for the upkeep of these winders on the Water trucks.

The equipment being requested is specific to Toronto Water valve winder trucks, which are used to operate valves required for water main and appurtenance repairs.

The items needed for those repairs include items such as keys, specific to:

- ASSEMBLY, TELESCOPIC VALVE KEY, TOP
- EXTENSION, TELESCOPIC VALVE KEY, 36"
- HANDLE, TEE, TELESCOPIC VALVE KEY
- KEY, VALVE, BOTTOM SECTION, MEDIUM, 2"
- KEY, VALVE, BOTTOM SECTION, SMALL, 1.75"
- KEY, VALVE, TELESCOPIC, ADJUSTABLE
- ASSEMBLY, TELESCOPIC VALVE KEY, BOTTOM

- Emergency valve operating nut is used when an operating nut is missing. It can be installed or removed without the need of confined space entry or excavation.

Controllers specific for the operation of the valve winding machine and other components such as:

- Lifter, Magnetic, Switchable, 70MM- Used to remove the center plug on valve chamber maintenance hole covers and lids.

This equipment will be used for all vehicles equipped with valve winders and without these replacement components the vehicles will not be able to operate for day-to-day functions.

As this is proprietary equipment, the replacement components and accessories are also proprietary and thus not available through any other manufacturer other than Wachs Canada Ltd.

Fair Wage Office has reported that Wachs Canada Ltd. 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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