

## **Emergency Non-Competitive Contract with Toronto Drydock Limited for Dry Docking Ship Repair Services for the Ongiara Vessel**

**Date:** November 22, 2023

**To:** General Government Committee

**From:** Acting General Manager, Parks, Forestry and Recreation and Chief Procurement Officer

**Wards:** Spadina-Fort York - 10

### **SUMMARY**

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The purpose of this report is to advise pursuant to Chapter 195 of the Toronto Municipal Code (Purchasing By-law, Section 195-7.4), of a non-competitive contract with Toronto Drydock Limited for the non-exclusive supply of all labour, equipment, materials, services, apparatus, transportation, lay days, permits and incidentals required for the dry docking shop repair services and/or onsite ship repair services which may include, any electrical, structural and mechanical repairs for the Ongiara vessel, for a total value of \$5,350,656 net of all applicable taxes and charges (\$5,444,828 net of Harmonized Sales Tax Recoveries).

The City operates a fleet of five ferry vessels providing service to and from Toronto Island. In order to ensure service continuity and safety, the City must comply with Transport Canada Marine Safety requirements and maintenance and repair work must occur to satisfy these requirements.

The Ongiara vessel is the only vessel in the fleet that can carry vehicles and operate in icy water conditions. While in dry dock, undergoing regularly scheduled maintenance and inspections, the initial inspection revealed that approximately 45 per cent of the vessel's hull does not meet the minimum safety standard for Transport Canada requirements. The substantial hull repair exceeds the volume of work and cost anticipated.

The issuance of this non-competitive contract was considered urgent as the repairs to the vessel are required to ensure compliance with Transport Canada's safety requirements and within a suitable timeframe that allows for safe winter ferry service continuity.

Work was authorized to proceed on an emergency basis by the Acting General Manager, Parks, Forestry and Recreation and Chief Procurement Officer under Chapter 195-7.1(G) of the Municipal Code.

Reporting back to City Council is required in accordance with Municipal Code Chapter 195, Purchasing, Article 7, Section 195-7.4(B) where a non-competitive contract over \$500,000 was entered into on the basis of emergency.

**RECOMMENDATIONS**

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

- 1. City Council receive this report for information.

**FINANCIAL IMPACT**

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The total emergency non-competitive contract identified in this report is \$5,350,656 net of all applicable taxes and charges (\$5,444,828 net of Harmonized Sales Tax Recoveries).

Emergency work will be undertaken in 2023 with funding from Parks, Forestry and Recreation’s 2023 Council Approved Capital Budget and 2024-2032 Capital Plan in the Special Facilities Buildings & Structures project (CPR126-49).

**Table 1: Financial Impact Summary**

WBS Element	Description	Total Net of HST Recoveries
CPR126-49	Special Facilities Buildings & Structures	\$5,444,828

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

**DECISION HISTORY**

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At its meeting on November 8, 2023, the Bid Award Panel awarded Request for Quotation No. 4017101390 for dry docking and ship repair services to Toronto Drydock Limited from date of award to November 7, 2024, with the option to renew for four additional separate one-year periods.

<https://secure.toronto.ca/council/agenda-item.do?item=2023.BA53.1>

At its meeting on April 20, 2023, the General Government Committee amended Blanket Contract Number 47021736 with Toronto Drydock Limited for the dry docking ship repair services and/or onsite ship repair services.

<https://secure.toronto.ca/council/agenda-item.do?item=2023.GG3.1>

At its meeting on February 15, 2023, City Council adopted Parks, Forestry and Recreation's 2023-2032 Capital Budget and Plan through item MPB4.1 (98) and the Special Facilities Buildings & Structures project (CPR126-49).

<https://secure.toronto.ca/council/agenda-item.do?item=2023.MPB4.1>

At its meeting on September 12, 2018, the Bid Award Panel awarded Request for Quotation No. 8001-18-0198 for dry docking and ship repair services to Toronto Drydock Limited from date of award to September 24, 2019, with the option to renew for four additional separate one-year periods.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.BA96.6>

## COMMENTS

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### Background

Dry docking removes a ship from water to allow for detailed inspection and repairs to the vessel. In accordance with Transport Canada's Marine Safety Regulations, passenger ferries must undergo dry docking on a five-year rotation for safety inspections and any required repairs. Additionally, annual inspections from an approved service provider are required to ensure vessels remain in compliance with all safety requirements. Any deficiencies or damages noted at dry dock or through inspection must be resolved to keep the boats certified for safe operation.

The City of Toronto operates a ferry fleet of five ferries requiring dry docking and regular maintenance to operate. When undergoing a regularly scheduled dry dock, a ferry will routinely require repairs and maintenance.

### Winter Ferry Service

The Ongiara ferry is the only vessel in the City of Toronto's ferry fleet that can carry vehicles and certified to operate in icy water conditions through the winter months. In a typical winter season, the City transports approximately 60,000 passengers and 600 vehicles to and from the Island.

The 1993 Toronto Islands Residential Community Stewardship Act mandates the City of Toronto to provide year-round transportation to and from the Toronto Islands. If the Ongiara does not return to service mid-December, the City will be unable to provide ferry service to and from the Island through the winter. This service gap would impose severe impacts to residents, visitors, staff, and stakeholders.

## **The Ongiara Ferry - Emergency Repairs**

The Ongiara ferry went into dry dock for regularly scheduled maintenance and inspections in September 2023 and it was noted that the Ongiara ferry required an extensive amount of steelwork to repair damages to the structural hull. The hull is the underbelly of the ferry and can only be inspected once in dry dock. The hull of a vessel makes up a majority of the ferry and safeguards against weather and structural damage.

Any deficiencies noted by Transport Canada are addressed while in dry dock, as part of the issuance of the annual safety certificate before the vessel is put back into operation. Transport Canada requirements state that a vessels hull must be replaced once it is less than half an inch in thickness. The initial inspection found that approximately 45 per cent of the hull needs to be replaced to ensure the vessel meets Transport Canada safety requirements.

To repair damages to the hull requires specialized work to cut out and rebuild the hull on the vessel. Given that a substantial amount of the hull requires replacement, extensive steelwork is necessary. The scope of work is far more extensive than anticipated or completed previously. The contractor also assessed other mechanical components and routine maintenance including hydraulic repairs, engine cleaning, and passenger and vehicle ramp replacements would need to be performed. Additionally, overall project costs have increased because of market conditions (global supply chain issues, material costs, labour shortages) and inflationary pressures.

Not proceeding with the emergency repair work presented significant risk of the City being unable to meet its requirement to provide transportation to and from Toronto Islands. As a result of the vastly increased and urgent nature of the scope of work and timeliness to ensure repairs are completed before winter service, a non-competitive contract was issued to Toronto Drydock Limited in the amount \$5,350,656 net of all applicable taxes and charges (\$5,444,828 net of Harmonized Sales Tax Recoveries), as a matter of extreme urgency, to ensure service delivery through the winter. Toronto Drydock Limited held the previous contract with the City of Toronto which ended on September 24, 2023. Within Ontario, there are a limited supply of vendors equipped to carry out extensive and complex repair work.

Work was authorized to proceed on an emergency basis by the Acting General Manager, Parks, Forestry and Recreation and Chief Procurement Officer under Chapter 195-7.1(G) of the Municipal Code.

### **Next Steps**

The Ongiara ferry is expected to return to service, fully certified for safe operation by December 15, 2023. Completing these urgent repairs were critical to ensure the City of Toronto would be able to continue to provide ferry services to transport residents and vehicles to and from Toronto Island in icy water conditions through the winter months.

## **CONTACT**

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## **SIGNATURE**

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Kim Statham for Howie Dayton  
Acting General Manager, Parks, Forestry & Recreation

Geneviève Sharkey  
Chief Procurement Officer