

# **Amendment to Blanket Contract Number 47023883 with Green Tractors Inc., the Authorized Deere & Company Dealer for the Supply and Delivery of Various Pieces of Ground Maintenance Equipment for Fleet Services**

**Date:** January 30, 2024

**To:** General Government Committee

**From:** Acting General Manager, Fleet Services and Chief Procurement Officer

**Wards:** All

## **SUMMARY**

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The purpose of this report is to request authority to amend Blanket Contract Number 47023883 issued to Green Tractors Inc., the authorized dealer for Deere and Company, for the supply and delivery of various pieces of ground maintenance equipment, including mowers and utility vehicles with accessories, attachments, and supplies.

Fleet Services completed a review of the 2024 to 2026 replacement plan and concluded that there will be a funding shortfall. The additional funding will allow Fleet Services to continue supporting the procurement of ground maintenance equipment requisitions on behalf of Parks, Forestry & Recreation, Toronto Water, Exhibition Place, Fleet Services, Solid Waste Management, and Transportation Services to deliver public services. This amendment is to address escalating unit costs, due to supply chain issues resulting from increased raw material costs, component shortages, increased freight costs, to cover electric vehicle premium and State of Goods Repair backlog units.

The total value of the amendment being requested for Blanket Contract Number 47023883 with Green Tractors Inc. is for \$5,362,444 net of all applicable taxes and charges (\$5,456,823 net of HST recoveries) increasing the contract value from \$4,105,319 net of all taxes and charges (\$4,177,573 net of HST recoveries) to \$9,467,763 net of all taxes and charges (\$9,634,396 net of HST recoveries).

General Government Committee approval is required in accordance with

Section 71-11.1C of the Toronto Municipal Code Chapter 71 (Financial Control By-law), where the current request exceeds the allowable threshold of \$500,000 net of all taxes and charges.

## RECOMMENDATIONS

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The Acting General Manager, Fleet Services, and the Chief Procurement Officer recommend that:

General Government Committee to grant authority to the Acting General Manager, Fleet Services to amend the legal agreement and Blanket Contract Number 47023883 issued to Green Tractors Inc., the authorized dealer of Deere and Company, by increasing the total Blanket Contract target value by \$5,362,444 net of all applicable charges (\$5,456,823 net of HST recoveries), revising the current Blanket Contract value from \$4,105,319 net of all taxes and charges (\$4,177,573 net of HST recoveries) to \$9,467,763 net of all taxes and charges (\$9,634,396 net of HST recoveries).

## FINANCIAL IMPACT

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The total potential contract amendment identified in this report is \$5,362,444 net of all taxes and charges. The potential cost to the City is \$5,456,823 net of HST recoveries.

Funding in the amount of \$5,456,823 net of HST recoveries, for the initial term and the optional year, has been included in the 2024-2033 Capital Budget and Plan Submission for Fleet Services Division.

Funding details are summarized in Tables 1 and 2 below as follows:

Table 1: Financial Impact Summary of Recommended Blanket Contract Amendment by Term (net of HST recoveries)

Fleet Services Capital Budget CFL038, CFL005, CFL017, CFL008, CFL010, CFL035	No. of Units	Amendment Value
Initial Term from January 1, 2024 to April 30, 2024	19	\$1,050,916
Initial Term from May 1, 2024 to April 30, 2025	60	\$3,781,054
Option Year One (1) from May 1, 2025 to April 30, 2026	14	\$624,853
Total from January 1, 2024 to April 30, 2026	93	\$5,456,823

Table 2: Combined Financial Impact by Budget Year (net of HST recoveries)

Fleet Services Capital Budget: CFL038, CFL005, CFL017, CFL008, CFL010, CFL035			
	2024	2025	Total
Total	\$ 4,831,970	\$ 624,853	\$ 5,456,823

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

## DECISION HISTORY

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At its meeting of September 9, 2021, the Bid Award Panel adopted, without amendment, item BA152.5, with reference to Sourcewell Request for Proposal Solicitation Number 031121-DAC, awarding a Blanket Contract to Green Tractors Inc. for the supply and delivery of Thirty-Two (32) Various John Deere Mowers and Utility Vehicles with Related Accessories, Attachments and Supplies for Fleet Services.

[Agenda Item History - 2021.BA152.5 \(toronto.ca\)](#)

## COMMENTS

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Fleet Services Division completed a review of the 2024 to 2026 replacement plan and is forecasting Blanket Contract 47023883 will have a shortfall of \$5,362,444 net of all applicable taxes and charges (\$5,456,823 net of HST recoveries) to purchase ground maintenance equipment on behalf of operating divisions January 1, 2024 to April 30, 2026, inclusive of all optional renewal terms.

On September 18, 2023, the Deputy City Manager (Corporate Services) approved Blanket Contract Number 47023883 amendment, and the target value was increased by \$500,000 from \$3,605,319 to \$4,105,319 net of all taxes and charges to cover part of the remaining vehicle purchase for 2023

To achieve TransformTO Net Zero targets, Fleet Services recommends ground maintenance utility equipment powered with Internal Combustion Engine be replaced with electric powered where operationally feasible. Approximately ninety-five (95) various ground maintenance equipment across the City's divisions are near their end of service life and are due for replacement from 2024 to 2026, summarized in Table 3. The current purchase price of electric-powered equipment is on average 25% to 30% higher compared to the equivalent Internal Combustion Engine model.

Table 3: Number of Ground Maintenance Units to be Replaced by 2026 for City

of Toronto Divisions and Agencies

Division	Quantity
Exhibition Place	9
Fleet Services	2
Parks, Forestry & Recreation	57
Transportation Services	1
Solid Waste Management	1
Toronto Water	23
Total	95

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**CONTACT**

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**SIGNATURE**

Abi Thomas  
Acting General Manager, Fleet Services

Geneviève Sharkey  
Chief Procurement Officer