

## **Non-Competitive Contract with Dependable Emergency Vehicles, a Division of Dependable Truck and Tank Ltd., for the supply and delivery of Rescue/Pumper Trucks**

**Date:** May 15, 2024

**To:** General Government Committee

**From:** Fire Chief and General Manager, Toronto Fire Services and Chief Procurement Officer

**Wards:** All

### **SUMMARY**

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The purpose of this report is to request General Government Committee authority to negotiate and enter into a non-competitive contract with Dependable Emergency Vehicles, a division of Dependable Truck and Tank Ltd., for the supply and delivery of 13 Rescue/Pumper trucks custom built on Spartan Chassis with Cummins brand L9 engines. The contract will be for a total amount of \$15,591,186 net of all applicable taxes and charges, (\$15,865,591 net of HST Recoveries).

The production of the Cummins engine, model L9, which Toronto Fire Services currently uses in Pumper/ Rescue apparatus, is being discontinued by the end of 2025 and suppliers are already seeing a decline in the availability of this engine as heavy truck manufacturers across North America are buying up large blocks in expectation of the discontinuation. Toronto Fire Services is requesting a non-competitive contract of fire apparatus using the remaining supply of Cummins L9 engines which Dependable Emergency Vehicles, a division of Dependable Truck and Tank Ltd.'s supplier still has available for the next few months, this will prevent delays in Toronto Fire Services' life cycle management program to ensure operational vehicles.

## RECOMMENDATIONS

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The Fire Chief and General Manager, Toronto Fire Services and the Chief Procurement Officer recommend that:

1. The General Government Committee authorize the Fire Chief and General Manager, Toronto Fire Services to negotiate and execute a non-competitive contract with Dependable Emergency Vehicles, a division of Dependable Truck and Tank Ltd., for the supply of 13 Rescue/Pumper trucks custom built on Spartan Chassis with Cummins L9 engines, for the total amount of \$17,618,040 including all applicable taxes and charges (\$15,865,591 net of Harmonized Sales Tax Recoveries), on terms and conditions satisfactory to the Chief Procurement Officer, in a form satisfactory to the City Solicitor.

## FINANCIAL IMPACT

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The total potential contract award is \$15,591,186 net of all applicable taxes and charges, \$17,618,040 including all applicable taxes and charges. The total potential cost to the City is \$15,865,591 net of Harmonized Sales Tax Recoveries.

Funding is available in the 2024-2033 Capital Budget and Plan for Fleet Services. Additional funding details follow in Table 1.

Table 1: Financial Impact Summary

Account	Base Unit Pricing (Net of HST Recoveries)	Vehicles	2025 Cost	2026 Cost	Total Cost (Net of HST Recoveries)
CFL014-24	\$1,220,430	6	\$7,322,581		\$7,322,581
	\$1,220,430	7		\$8,543,010	\$8,543,010
					\$15,865,591

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

## DECISION HISTORY

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Dependable Emergency Vehicles, a division of Dependable Truck and Tank Ltd., has been the lowest supplier meeting specification in the three (3) previous Request for Quotation processes as follows:

On April 3, 2019, Bid Award Panel adopted the recommendation of report BA19.2 Request for Quotation 6115-18-0372 and granted authority to enter into a contract with Dependable Emergency Vehicles from date of award for a period of two years, with the option to renew the Contract for one (1) additional one (1) year period for a total contract value of \$19,171,822, net of all applicable taxes and charges (\$19,509,246 net of HST Recoveries),  
<https://secure.toronto.ca/council/agenda-item.do?item=2019.BA19.2>

On November 23, 2022, Bid Award Panel adopted the recommendation of report BA2.5 Request for Quotation Doc3536109096 and granted authority to enter into a contract with Dependable Emergency Vehicles to build ten (10) Rescue/Pumper trucks: five (5) trucks from the date of award to June 30, 2024, for a total contract value of \$5,113,395 net of all applicable taxes and charges (\$5,203,391 net of HST Recoveries).  
<https://secure.toronto.ca/council/agenda-item.do?item=2023.BA2.5>

On April 20, 2023, General Government Committee adopted the recommendation of report GG3.8 Request for Quotation Doc3775384972 and granted authority to enter into an agreement with Dependable Emergency Vehicles for the supply and delivery of thirty (30) Rescue/Pumper trucks for a total contract value of \$33,590,760 net of all applicable taxes and charges (\$34,181,957 net of Harmonized Sales Taxes Recoveries).  
<https://secure.toronto.ca/council/agenda-item.do?item=2023.GG3.8>

## COMMENTS

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Within the Toronto Fire Services Fleet, Toronto Fire Services operates 84 fire apparatus that function either as a Pumper or include auto-extrication equipment to function as a Rescue apparatus.

The Cummins L9 engine has been the standard power source in Toronto Fire Services' fire apparatus for years due to its availability, size, and emission compliance. Cummins Canada ULC is discontinuing the L9 Model by the end of 2025 to be replaced by the X10 model, projected to begin production in the first quarter of 2026. This transition was announced earlier this year and many of the impacts are still being determined. Suppliers are already seeing a decline in the availability of the Cummins L9 engine as heavy truck manufacturers across North America are buying up large blocks in anticipation of this discontinuation. At the time of this report, the Cummins X10 engine has not been fully designed.

Toronto Fire Services manages a defined lifecycle replacement program for apparatus, that allows the service to ensure it has the vehicles on the road necessary to deliver service to Toronto residents. The strategy is based on purchasing a set number of apparatus annually, so that older apparatus can be transitioned out of the fleet. Given the long lead time for production (18-36 months), staying on schedule is imperative to ensuring the required operational vehicles on the road. Toronto Fire Services already experiences challenges with supply chain delays faced industry wide. Further delays in production, as a result of the transition to the Cummins X10 engine may put Toronto Fire Services behind in the replacement program.

In discussions across the fire industry, many suppliers have indicated that they are quoting the new replacement engine (Cummins X10), or the alternative (Cummins X12) in new bids already, in case the X10 faces delays coming into production, given the long production time (18-36 months). Toronto Fire Services is requesting a non-competitive contract, by invoking exception rationale "time constraint," with Dependable Emergency Vehicles, a division of Dependable Truck and Tank Ltd., for the procurement of 13 Pumper apparatus with the L9 engines, to minimize impacts to Toronto Fire Services' lifecycle replacement program as the industry manages the transition to the X10 engine.

Currently, Dependable Emergency Vehicles, a Division of Dependable Truck and Tank Ltd. has thirteen L9 engines available through their supplier, for the 2024 planned replacement order. A non-competitive purchase with Dependable Emergency Vehicles, a Division of Dependable Truck and Tank Ltd. supports the lifecycle replacement plan, as it would ensure that we could continue for another year with the current design and build of apparatus. It would also provide the industry with another year to figure out the design and testing of the Cummins X10 engine ahead of the Division's 2025 order, which would reduce uncertainty and provide a more accurate picture of the timelines and costs that will be required so Toronto Fire Services can adjust budget requests, or the lifecycle replacement strategy as required. An example of changes Toronto Fire Services will need to account for are the increased costs, with the Cummins X10 currently projected to be \$95,000 more than the Cummins L9 engine.

Dependable Emergency Vehicles, a Division of Dependable Truck and Tank Ltd., a local manufacturer in Brampton Ontario, has a long history providing apparatus to Toronto Fire Services at reasonable and reliable delivery times given the current market and provides a convenient location for warranty service. This supplier has been awarded contracts resulting from the last three (3) competitive processes. Awarding 13 units to this manufacturer would also serve to improve the continuity of training staff to operate the fire apparatus, Mechanical Division staff to repair the trucks, and the costs associated with maintaining a parts inventory.

Awarding this non-competitive contract will provide Toronto Fire Services the time to better understand and prepare for the impacts of the transition that will occur in eighteen (18) months so that the service is able to respond accordingly. The Division's long-term plan for future apparatus purchases is through the City's competitive procurement process with the Cummins X10 engine.

## **CONTACT**

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## **SIGNATURE**

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Fire Chief and General Manager, Toronto Fire Services

Geneviève Sharkey  
Chief Procurement Officer