



## REPORT FOR ACTION

# Non-Competitive Contract with Duracut Machine Knife Company Limited for the Servicing of Ice Resurfacer Blades for Parks, Forestry and Recreation

**Date:** November 5, 2024.  
**To:** General Government Committee  
**From:** General Manager Parks, Forestry and Recreation and the Chief Procurement Officer  
**Wards:** All

## SUMMARY

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The purpose of this report is to request authority to enter into a non-competitive contract with Duracut Machine Knife Company Limited for the provision of non-exclusive supply, pickup, delivery and sharpening of ice resurfacing blades for Parks, Forestry and Recreation, in the total amount of \$499,999 net of all taxes and charges (\$508,800 net of Harmonized Sales Tax recoveries), for an initial period of one year from November 21, 2024, to November 20, 2025. with an option to renew for four additional one-year option periods for a total of five years.

Duracut Machine Knife Company Limited provides the resharpener and reconditioning of Zamboni/Olympia Resurfacer blades as well as new blades with accessories such as cloths and brushes that fit on the resurfacer unit. Duracut Machine Knife Company Limited also supplies the pickup and delivery service of Dull/Sharp blades weekly to 52 of our locations and central operation yards. This contract will ensure the continued operation of all arenas and outdoor artificial ice rinks operated by the City of Toronto.

## RECOMMENDATIONS

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The General Manager, Parks, Forestry and Recreation and Chief Procurement Officer, Purchasing and Materials Management recommends that:

The General Government Committee, in accordance with Municipal Code Chapter 195-Purchasing, where the current request exceeds the Chief Procurement Officer's authority of the cumulative five-year commitment, 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 grant authority to the General Manager, Parks, Forestry and Recreation to enter into a non-competitive procurement contract with Duracut Machine Knife Company Limited for the provision of the non-exclusive supply, pickup, delivery and sharpening of ice resurfacing blades in the total amount of \$499,999.00 net of all taxes and charges (\$508,800 net of Harmonized Sales Tax recoveries), for an initial period of one year from November 21, 2024 to November 20, 2025 with an option to renew for four additional one year optional periods for a total of five years, on terms and conditions satisfactory to the General Manager, Parks, Forestry and Recreation and in a form satisfactory to the City Solicitor.

## FINANCIAL IMPACT

The total potential contract value including the optional period identified in this report is \$499,999 net of Harmonized Sales Tax. The total potential cost to the City is \$508,800 net of Harmonized Sales Tax recoveries.

Funding in the amount of \$8,800 net of Harmonized Sales Tax recoveries has been included in the 2024 Operating Budget for Parks, Forestry and Recreation. Funding in the amount of \$92,960 net of HST Recoveries for the balance of the initial contract term to December 31, 2025 will be included in the 2025 Operating Budget Submission for Parks and Recreation. Should the City exercise the optional periods, additional funding will be included in the 2026-2029 Operating Budget Submissions for Parks, Forestry and Recreation Division. Additional funding details follow in Table 1:

Table 1: Financial Impact Summary

| <b>Forecasted Expenditures</b><br>Operating Cost Centre(s): P07677, P00763, P03051, P07695, P06677, P03032, P03027, P03028, P06682, P03035, P12064, P07679, P03052, P03053, P03021, P07697, P03029, P07684, P03030, P12542, P02072, P13428, P12889, P03031, P01182, P07699, P07700, P07701, P07702, P03033, P07680, P07703, P03034, P03054, P01183, P03055, P07682, P07683, P03056, P07704, P00404, P07705, P03057, P03058, P07706, P07707, P03022, P07685, P01191, P03036, P01199, P03037<br>Cost Element(s) – 2710, 2120, 4403 |                                                                 |                             |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|-----------------------------|
| Year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Periods                                                         | Total Net of HST Recoveries |
| 2024                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Initial Year Period from November 21, 2024 to December 31, 2024 | \$8,800                     |
| 2025                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Initial Year Period from January 1, 2025 to November 20, 2025   | \$92,960                    |
| 2025                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Option Year 1 from November 21, 2025 to November 20, 2026       | \$101,760                   |
| 2026                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Option Year 2 from November 21, 2026 to November 20, 2027       | \$101,760                   |

|       |                                                           |           |
|-------|-----------------------------------------------------------|-----------|
| 2027  | Option Year 3 from November 21, 2027 to November 20, 2028 | \$101,760 |
| 2028  | Option Year 4 from November 21, 2028 to November 20, 2029 | \$101,760 |
| Total |                                                           | \$508,800 |

The Chief Financial Officer and Treasurer has been advised of the award associated with this program to be considered along with other priorities in future budget processes.

## DECISION HISTORY

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On November 11, 2019 non-competitive contract 47022492 was issued to Duracut Machine Knife Company Limited in the amount of \$375,070.00 net of all taxes for the provision of the non-exclusive supply, pickup, delivery and sharpening of ice resurfacing blades, for the City of Toronto Parks, Forestry and Recreation Division, with the option to renew for four additional separate one year terms.

## COMMENTS

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This non-competitive procurement for Duracut Machine Knife Company Limited is required to ensure the continuous delivery of the resharpener and reconditioning of Zamboni/Olympia Resurfacers blades and the pickup and delivery service of these blades weekly at 52 locations and central operation yards. This service ensures efficient and proper use of equipment used to maintain ice surfaces for safe programming and permit use on ice surfaces. Without approval of this non-competitive procurement, service interruptions are inevitable and arenas/ outdoor rinks will not be able to be maintained for safe and optimal operational use.

## Background

Contract **47016583** was entered into with Duracut Machine Knife Company Limited for request for quotation 6011-11-3259. The contract was effective March 13, 2012 with the option to renew for two option years and was valid until August 31, 2014. The total value of the contract was \$200,968.00 net of all taxes for the duration of the contract for the supply, pickup, delivery and sharpening of Zamboni ice resurfacing blades, for the City of Toronto Parks, Forestry and Recreation Division

In 2014, competitive solicitation request for quotation 6011-14-3149 resulted in one bid received by Duracut Machine Knife Company Limited. Contract 47018582 was awarded on October 2, 2014 and was valid until August 31, 2019 for the total value of \$449,027.80 net of all taxes for the duration of the contract for the provision of the non-exclusive supply, pickup, delivery and sharpening of ice resurfacing blades, for the City of Toronto Parks, Forestry and Recreation Division, with the option to renew for four additional option years.

Non-Competitive Contract with Duracut Machine Knife Company Limited

In 2019, competitive call resulted in no bids. Therefore, Contract 47022492 was issued to Duracut Machine Knife Company Limited using a non-competitive procurement under exception code 10 Absence of Competition. The contract start date was November 19, 2019 and will expire November 20, 2024. The current total value of the contract is \$375,070.00 net of all taxes for the provision of the non-exclusive supply, pickup, delivery and sharpening of ice resurfacing blades, for the City of Toronto Parks, Forestry and Recreation Division, with the option to renew for four additional separate one year terms.

## **Non-Competitive Procurement**

In 2024, market research was conducted and was concluded that there is an absence of competition. Diverse suppliers of blade sharpening services were contacted within the greater Toronto area and are either unable to sharpen ice resurfacing blades or commit to our current usage rates. Multiple municipalities including City of Mississauga, City of Vaughan and City of Brampton, currently use the same vendor due to the absence of competition in the marketplace. An additional search of the provincial Vendors of Record portal was conducted and did not yield any results.

This non-competitive procurement for Duracut Machine Knife Company Limited is required to ensure the continuous delivery of services which include the resharpening and reconditioning of Zamboni/Olympia Resurfacers blades and the pickup and delivery service of blades which takes place weekly to 52 of our locations and central operation yards. These services keep all city of Toronto arenas and outdoor rinks operational. Without approval of this non-competitive procurement, service interruptions are inevitable and arenas/outdoor rinks will become in-operational.

City staff have reviewed the pricing for the parts and services and have determined that the pricing is fair and reasonable. City staff's expertise in the field determined that the pricing provided for the new non-competitive procurement are comparable to previous years. We have been ensured there will be no price escalation for the next five years.

The Fair Wage Office has reported that recommended supplier, Duracut Machine Knife Company Limited, have 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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Geneviève Sharkey  
Chief Procurement Officer, Purchasing and Materials Management