

Amendment to Blanket Contract Number 47024067 with 2281610 Ontario Inc., Downtown Ford for the Supply and Delivery of Twenty-Four (24) Latest Model Truck Chassis and Regular Cab 19,000 Lbs (8,618 Kg) GVWR, 4WD, Dual Rear Wheels and Custom Utility Body

Date: February 10, 2025

To: General Government Committee

From: General Manager, Fleet Services and Chief Procurement Officer

Wards: All

SUMMARY

The purpose of this report is to seek authority to amend and to increase the target value of Blanket Contract Number 47024067 issued to 2281610 Ontario Inc., Downtown Ford for the supply and delivery of Twenty-Four (24) latest model truck chassis and regular cab 19,000 Lbs (8,618 Kg) Gross Vehicle Weight Rating (GVWR), 4-wheel drive (4WD), Dual Rear Wheels and custom utility body.

This amendment addresses the 2024-2025 replacement plan, State of Good Repair (SOGR) backlog, electric vehicle transition, and rising raw material costs. Fleet Services reviewed the 2025 plan and found the current Blanket Contract would be underfunded. Additional funding will ensure continued support for Toronto Water's vehicle requisitions.

The total value of amendment being requested for Blanket Contract Number 47024067 is \$1,905,000 net of all applicable taxes and charges (\$1,938,528 net of HST recoveries), increasing the total contract value from \$7,618,866 net of all applicable taxes and charges to \$9,523,866 net of all applicable taxes and charges (\$9,691,486 net of HST recoveries).

RECOMMENDATIONS

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

The General Government Committee, in accordance with Section 71-11.1.C of the City of Toronto Municipal Code Chapter 71 (Financial Control By-Law), grant authority to the General Manager, Fleet Services to amend Blanket Contract Number 47024067 by increasing the total Blanket Contract in the amount of \$1,905,000 net of all applicable taxes and charges (\$1,938,528 net of HST recoveries), revising the current Blanket Contract value from \$7,618,866 net of all applicable taxes and charges (\$7,752,958 net of HST recoveries) to \$9,523,866 net of all applicable taxes and charges (\$9,691,486 net of HST recoveries).

FINANCIAL IMPACT

The total contract amendment identified in this report is \$1,905,000 net of all applicable taxes and charges. The total cost to the City \$1,938,528 net of HST recoveries.

Funding in the amount of \$1,938,528 net of HST recoveries is included in the 2025-2034 Capital Budget and Plan for Fleet Services Division. Spending is expected to take place in 2026. Funding details are summarized in Table 1 and 2 as below.

Table 1: Financial Impact Summary of Recommended Blanket Contract Amendment (Net of HST Recoveries)

Capital Account CFL038	Number of Units	Amendment Value
August 31, 2024 to August 30, 2025	4	\$1,550,822
August 31, 2025 to August 30, 2026	1	\$387,706
Total from August 31, 2024 to August 30, 2026	5	\$1,938,528

Table 2: Financial Impact Summary of Recommended Blanket Contract Amendment by Year (Net of HST recoveries)

Fleet Services Capital Budget: CFL038	2025	2026	Total
Total	\$1,550,822	\$387,706	\$1,938,528

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

DECISION HISTORY

At its meeting of August 4, 2021, Bid Award Panel adopted without amendment item BA147.5 “Award of Ariba Doc Number 2985862687 to Downtown AutoGroup for the Supply and Delivery of Twenty-Four (24) Latest Model Truck Chassis And Regular Cab 19,000 Lbs (8,618 Kg) GVWR, 4WD, Dual Rear Wheels and Custom Utility Body for Fleet Services Division”.

<https://secure.toronto.ca/council/agenda-item.do?item=2021.BA147.5>

COMMENTS

Fleet Services Division completed a review of the 2024 and 2025 replacement plan and is forecasting Blanket Contract 47024067 will have a shortfall of \$1,905,000 net of all applicable taxes and charges (\$1,938,528 net of HST recoveries) including a price adjustment for the purchase of five (5) additional unleaded fuel type of units for Toronto Water. With additional funding, Fleet Services would like to pilot with electric Power Take-off (ePTO) drive shaft option which will further reduce greenhouse gas (GHG), if its fits in current vehicle size and layout. This amendment is requested in response to the original underestimated contract value due to escalating unit costs resulting from increased raw material costs, global supply chain challenges and significant production impact by supply chain disruptions, component shortages, labor shortages, and increased freight cost. The current industrial price trend for similar equipment is on average 15% to 20% higher compared to previous years.

Blanket Contract Number Change

As Downtown AutoGroup changed their name to 2281610 Ontario Inc., Downtown Ford, Blanket Contract Number 47024067 issued to 2281610 Ontario Inc., Downtown Ford replaced Blanket Contract Number 47023872 issued to Downtown AutoGroup. \$7,618,866 net of all applicable taxes and charges was fully transferred from Blanket Contract Number 47023872 to Blanket Contract Number 47024067 as target value.

CONTACT

Francesco McGrillis, Acting Manager, Purchasing Client Services, Purchasing and Materials Management, 416-392-0205, Francesco.McGrillis@toronto.ca

Kiran Panchal, Fleet Manager, Asset Management, Fleet Services, 416-397-4258, Kiran.Panchal@toronto.ca

SIGNATURE

Abi Thomas
General Manager, Fleet Services

Geneviève Sharkey
Chief Procurement Officer