

Amendment to Non-Competitive Blanket Contract 47023385 with Atlas Polar Company Limited and Blanket Contract 47023205 with Altec Industries Ltd., for Mechanical and Structural Safety Inspections, Repairs, Training and Certifications for various Hiab, Effer and Altec equipment

Date: June 2, 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 approval to amend non-competitive Blanket Contract 47023385 with Atlas Polar Company Limited and Blanket Contract 47023205 with Altec Industries Ltd. Each contract will be amended by extending the contract term for an additional five (5) years (exercisable as separate one (1) year terms) and increasing the combined budget by \$2,429,720 net of Harmonized Sales Tax (\$2,472,483 net of Harmonized Sales Tax Recoveries). These extensions will adjust the total term for each contract from five (5) years to ten (10) years. The proposed budget increase will raise the combined total value of the contract's total value from \$2,119,834 to \$4,549,554 net of Harmonized Sales Tax (\$4,629,626 net of Harmonized Sales Tax Recoveries).

This is the first request to extend the validity date of the two contracts. The two contracts cover the provision of all labour, parts, materials, and equipment required to conduct mechanical and structural safety inspections, repairs, and certifications for proprietary Original Equipment Manufacturer (OEM) equipment for approximately 67 units at the time of this report. These parts and specialized services cannot be procured through a competitive process as Atlas Polar Company is the sole authorized dealer in the Greater Toronto Area (GTA) for Hiab and Effer equipment and Altec Industries Ltd., is the sole authorized dealer in the GTA for Altec equipment.

The equipment includes aerial buckets, combining a high aerial lift with an integrated chipper body and cranes which are both mounted on Class 8 heavy-duty truck chassis, which are essential for maintaining the uninterrupted delivery of critical services across

the City of Toronto, particularly in support of the daily operations of Toronto Water, Transportation Services and Environment, Climate & Forestry. Timely access to mechanical and structural safety inspections, repairs, certification, parts and both warranty and non-warranty maintenance is crucial to ensuring that units remain safe, reliable, and readily available when needed.

In accordance with Section 195-8.5B of the City of Toronto Municipal Code Chapter 195 (Procurement By-law), where the current request exceeds the Chief Procurement Officer's authority of the cumulative five (5) year commitment for each supplier, and under Article 7, Section 195-7.3 (D) of the Procurement By-Law or exceeds the threshold of \$500,000 net of Harmonized Sales Tax allowed under staff authority as per the Toronto Municipal Code, Chapter 71-Financial Control, Section 71-11A.

RECOMMENDATIONS

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

1. City Council grant authority, to enter into an amending agreement with Atlas Polar Company Limited to extend the term of the non-competitive agreement (Blanket Contract number 47023385) for the non-exclusive supply of all labour, materials, and equipment necessary to perform mechanical and structural safety inspections, repairs, and certifications for various Hiab and Effer equipment based on the following conditions:
 - a. The initial extension term will be for a period of one (1) year, from February 1, 2026 to January 31, 2027, with the option to renew for four (4) additional one (1)-year periods. The exercise of each option year will be at the sole discretion of the General Manager, Fleet Services Division, and subject to the availability of funds within the approved Fleet Services Division budget. This extension will revise the total contract term from five (5) years to ten (10) years, where all optional years are exhausted;
 - b. The total value of this extension, including all optional years, will be \$1,389,984 net of Harmonized Sales Tax (\$1,414,447 net of Harmonized Sales Tax Recoveries);
 - c. The agreement will remain contingent upon Atlas Polar Company Limited continuing to be the exclusive distributor for the proprietary Original Equipment Manufacturer (OEM) supplies required to perform mechanical and structural safety inspections, repairs, and certifications for various Hiab and Effer equipment; and,
 - d. The agreement will be on other terms and conditions deemed satisfactory to the General Manager, Fleet Services, and in a form satisfactory to the City Solicitor.

2. City Council grant authority to enter into an amending agreement with Altec Industries Ltd., to extend the term of the non-competitive agreement (Blanket Contract number 47023205) for the non-exclusive supply of all labour, materials, and equipment necessary to perform mechanical and structural safety inspections, repairs, and certifications for various Altec Industries Ltd., equipment based on the following conditions:

- a. The initial extension term will be for a period of four (4) months, from November 1, 2025 to February 28, 2026, with the option to renew for four (4) additional one (1)-year periods. The exercise of each option year will be at the sole discretion of the General Manager, Fleet Services Division, and subject to the availability of funds within the approved Fleet Services Division budget. This extension will revise the total contract term from five (5) years to ten (10) years, where all optional years are exhausted;
- b. The total value of this extension, including all option years, will be \$1,039,736 net of Harmonized Sales Tax (\$1,058,036 net of Harmonized Sales Tax Recoveries);
- c. The agreement will remain contingent upon Altec Industries Ltd., continuing to be the exclusive distributor for the proprietary Original Equipment Manufacturer (OEM) supplies required to perform mechanical and structural safety inspections, repairs, and certifications for various Altec Industries Ltd., equipment; and,
- d. The agreement will be on terms and conditions deemed satisfactory to the General Manager, Fleet Services, and in a form satisfactory to the City Solicitor.

FINANCIAL IMPACT

The total potential value of the PO Amendments identified in this report is \$2,429,720 net of all applicable taxes and charges (\$2,472,483 net of HST recoveries).

Funding in the amount of \$37,984 net of HST Recoveries for 2025 of the initial contract period is included in the 2025 Operating Budget for Fleet Services Division. Additional funding for the remainder of the initial contract periods will be included in future Operating Budget Submissions for Fleet Services Division.

Should the City choose to exercise its option to renew for an additional four (4) separate one (1)-year periods, then appropriate funding, if needed, will be included in the 2026 - 2031 annual Operating Budget Submissions for Fleet Services Division. Additional Funding details are provided in Table 1-3 to follow.

Table 1: Atlas Polar Company Limited (Blanket Contract number 47023385) financial impact summary by contract year, net of Harmonized Sales Tax Recoveries

Fleet Services Division Cost Centre: FL100 Cost Element:2181/4404	Total Amendment Value (Net of Harmonized Sales Tax Recoveries)
Initial Contract Period from February 1, 2026 to December 31, 2026	\$244,216
Initial Contract Period from January 1, 2027 to January 31, 2027	\$22,201
Optional Year 1 from February 1, 2027 to December 31, 2027	\$251,543
Optional Year 1 from January 1, 2028 to January 31, 2028	\$22,868
Optional Year 2 from February 1, 2028 to December 31, 2028	\$259,089
Optional Year 2 from January 1, 2029 to January 31, 2029	\$23,554
Optional Year 3 from February 1, 2029 to December 31, 2029	\$266,862
Optional Year 3 from January 1, 2030 to January 31, 2030	\$24,260
Optional Year 4 from February 1, 2030 to December 31, 2030	\$274,867
Optional Year 4 from January 1, 2031 to January 31, 2031	\$24,988
Total Cost from February 1, 2026 to January 31, 2031	\$1,414,447

Table 2: Altec Industries Ltd., (Blanket Contract number 47023205) financial impact summary by contract year, net of Harmonized Sales Tax Recoveries

Fleet Services Division Cost Centre: FL100 Cost Element:2181/4404	Total Amendment Value (Net of Harmonized Sales Tax Recoveries)
Initial Contract Period from November 1, 2025 to December 31, 2025	\$37,984
Initial Contract Period from January 1, 2026 to February 28, 2026	\$37,984
Optional Year 1 from March 1, 2026 to December 31, 2026	\$195,617
Optional Year 1 from January 1, 2027 to February 28, 2027	\$39,123
Optional Year 2 from March 1, 2027 to December 31, 2027	\$201,486
Optional Year 2 from January 1, 2028 to February 28, 2028	\$40,297

Fleet Services Division Cost Centre: FL100 Cost Element:2181/4404	Total Amendment Value (Net of Harmonized Sales Tax Recoveries)
Optional Year 3 from March 1, 2028 to December 31, 2028	\$207,531
Optional Year 3 from January 1, 2029 to February 28, 2029	\$41,506
Optional Year 4 from March 1, 2029 to December 31, 2029	\$213,756
Optional Year 4 from January 1, 2030 to February 28, 2030	\$42,751
Total Cost from November 1, 2025 to February 28, 2030	\$1,058,036

Table 3: Combined Financial Impact Summary by Budget Year

Budget Year	Net of Harmonized Sales Tax Recoveries
2025	\$37,984
2026	\$477,817
2027	\$514,353
2028	\$529,785
2029	\$545,678
2030	\$341,878
2031	\$24,988
Total	\$2,472,483

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

DECISION HISTORY

On February 1, 2021 Fleet services Division issued a Non-Competitive Contract for the non-exclusive supply of all labour, materials, and equipment necessary to perform mechanical and structural safety inspections, repairs and certifications for various types of Hiab and Effer Vehicle Mounted Aerial Devices, for the City of Toronto's Fleet Services Division Atlas Polar Company Limited was selected in accordance with the provisions of the City of Toronto Municipal Code Chapters 71 and 195.

Pursuant to the adoption of item [GL15.6](#) "Non-Competitive Contract with Altec Industries for Proprietary Original Equipment Manufacturer (OEM) Parts and Services" by City Council on September 30, 2020, Altec Industries Ltd., was selected in accordance with the provisions of the City of Toronto Municipal Code Chapters 71 and 195. This contract is for the non-exclusive supply of all labour, materials, and equipment necessary to perform Mechanical and Structural Safety Inspections, Repairs, and Certifications for various Altec vehicle mounted lifting devices as and when required, for the City of Toronto's Fleet Services Division.

COMMENTS

Non-competitive Blanket Contract 47023385 with Atlas Polar Company Limited and Blanket Contract 47023205 with Altec Industries Ltd., meets the criteria of the exception code 2, Exclusive Rights in the Procurement By-law. The Procurement By-law protects the interests of the City, the public and persons participating in the procurement process by providing a clear statement of how goods and services will be acquired.

The specialized parts and services required for the equipment manufacturers referenced in this report cannot be obtained through the competitive procurement process. Atlas Polar Company Limited and Altec Industries Ltd., has provided official confirmation from the OEMs stating that the necessary parts and services are proprietary and can only be supplied by an authorized dealer for the GTA, Atlas Polar Company Limited and Altec Industries Ltd., are the sole providers capable of delivering these essential services and components.

Benefits of these Contracts:

Operational Continuity: Ensures the availability of critical repair and maintenance services, preventing disruptions in City operations, particularly for Transportation Services, and Environment, Climate & Forestry.

Safety Compliance: Guarantees that vehicle devices are maintained according to OEM specifications, meeting all mechanical and structural safety standards.

Efficiency and Reliability: Provides timely access to proprietary parts and services, reducing equipment downtime and maintaining service reliability.

OEM Expertise and Warranty Protection: Maintains manufacturer warranties and ensures specialized repairs are conducted by certified technicians.

Risks of Not Having These Contracts:

Service Disruptions: Without access to authorized repairs and certified parts, the City risks delays in critical operations, potentially impacting service delivery.

Compliance and Safety Concerns: Lack of proper maintenance could lead to equipment failures, increasing safety risks for operators and the public.

Increased Costs and Delays: Seeking alternative service providers may result in higher costs, longer lead times, and potential procurement inefficiencies.

Loss of OEM Warranty Coverage: Unauthorized repairs or third-party services could void manufacturer warranties, leading to additional expenses for the City.

Securing these contracts is essential to maintaining fleet reliability, ensuring safety compliance, and supporting uninterrupted service delivery across City operations.

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SIGNATURE

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