

Non-Competitive Contract with Vermeer Canada Incorporated for the Provision of Proprietary Original Equipment Manufacturer Parts and Service for Parks and Recreation

Date: September 5, 2025

To: General Government Committee

From: General Manager, Parks and Recreation and Chief Procurement Officer

Wards: All

SUMMARY

The purpose of this report is to request City Council authority to enter into a non-competitive contract with Vermeer Canada Incorporated, being the only authorized dealer in Ontario for the supply of proprietary Original Equipment Manufacturer parts and service for Vermeer chippers, stumpers and skid steers, in the amount of \$30,009 net of all applicable taxes and charges (\$30,528 net of HST recoveries) for an initial period of one (1) year, commencing on October 23, 2025 to October 22, 2026, with four (4) separate one (1) year options at the sole discretion of the City. If all of the extension options are exercised, there would be a total potential contract value of \$194,408 net of all applicable taxes and charges (\$197,830 net of HST recoveries).

As with all Parks and Recreation specialized equipment, chippers, stumpers and skid steer units are acquired by Fleet Services and are sourced through a competitive solicitation process. Parks and Recreation's Small Engine Mechanics maintain the equipment and must use Original Equipment Manufacturer parts to ensure the manufacturer's warranties for the equipment remains valid.

Non-competitive procurements may be undertaken where both the proposed procurement and supplier can be justified in good faith based on an exception set out in Toronto Municipal Code Chapter 195, Procurement. This non-competitive procurement will be proceeding under the exception code related to Exclusive Rights, the City has determined in good faith that both the proposed procurement and the selected supplier, along with the terms and conditions of the contract are beneficial to the City (Toronto Municipal Code, Chapter 195, Procurement, Section 7.1K.).

City Council approval is required in accordance with Municipal Code Chapter 195- Purchasing, where the current request exceeds the Chief Purchasing Officer's authority of the cumulative five year commitment for each supplier, 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.

RECOMMENDATIONS

The General Manager, Parks and Recreation and Chief Procurement Officer recommend that:

1.City Council, authorize the General Manager, Parks and Recreation to negotiate and enter into a non-competitive agreement with Vermeer Canada Incorporated for the supply, delivery, and warranty of proprietary Original Equipment Manufacturer parts and services for Vermeer equipment in the amount of \$194,408 net of Harmonized Sales Tax (\$197,830 net of Harmonized Sales Tax recoveries) for an initial period of one (1) year, commencing on October 23, 2025 to October 22, 2026, with four (4) separate one (1) year options.

FINANCIAL IMPACT

The total potential contract value identified in this report, including all option years is \$194,408 net of all applicable taxes and charges. The total potential cost to the City is \$197,830 net of HST recoveries.

Funding in the amount of \$5,088 net of HST recoveries is included in the 2025 Operating Budget for Environment, Climate and Forestry under Urban Forestry cost centre grouping UF-UFO and UF-UFP and various cost elements, and additional funding for the balance of the initial contract period will be included in the 2026 Operating Budget Submission. Should the City exercise the option years, additional funding will be included in the 2026-2030 Operating Budget Submissions. Additional funding details follow in Table 1.

Table 1 - Financial impact Summary of Recommended Contract (Net of HST Recoveries)			
Year	Cost Element	Cost Centre	Total Net of HST Recoveries
October 23, 2025 to December 31, 2025	2120, 4403	UF-UFO UF-UFP	\$5,088
January 1, 2026 to October 22, 2026			\$25,440
2026 - 2027 (Option Year 1)			\$34,497
2027 - 2028 (Option Year 2)			\$38,981
2028 - 2029 (Option Year 3)			\$44,049
2029 - 2030 (Option Year 4)			\$49,775

Total Net of HST Recoveries			\$197,830
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The Chief Financial Officer and Treasurer has reviewed this report and agrees with the information as presented in the Financial Impact Section.

DECISION HISTORY

On October 23, 2020, Blanket Contract 47023195 (Non-Competitive Procurement 10735) was awarded to sole bidder, Vermeer Canada Incorporated, for a five (5)-year term in the amount of \$292,000 net of all applicable taxes and charges.

COMMENTS

It has been determined through research and documentation confirming that Vermeer Canada Incorporated is the sole authorized dealer in Ontario for the supply of proprietary Original Equipment Manufacturer parts and service for Vermeer chippers, stumpers and skid steers that this supplier is the only authorized dealer in Ontario to provide the parts and service required for Parks and Recreation operations.

The parts and specialized services for the equipment manufacturers outlined in this report cannot be obtained through the competitive procurement process and the required non-competitive contract meets the criteria of the exception code 02 - Exclusive Rights in the Purchasing By-law.

This non-competitive contract includes the supply of all Original Equipment Manufacturer labour, materials, and equipment necessary to provide warranty and non-warranty services for the City of Toronto's Parks and Recreation, all in accordance with the provisions and specifications that will be contained in the Legal Agreement.

Vermeer Canada Inc is required to be a sole source contract as this vendor does not offer dealer representation in Ontario for their Original Equipment Manufacturer parts. To ensure manufacturer's warranty remains valid, Original Equipment Manufacturer parts which are proprietary to Vermeer Canada Incorporated, are required.

There are approximately 50 Vermeer equipment in circulation, many procured by Fleet Services as recently as 2019. This equipment is required to be in operational condition to maintain City of Toronto streets and parks.

The life expectancy of ten (10) years and the replacement cost of a piece of equipment can be in excess of \$120,000, which means this equipment must be maintained with Original Equipment Manufacturer parts that will ensure the warranty remains valid on this equipment. The Original Equipment Manufacturer has confirmed in writing that the parts and services for Vermeer equipment are proprietary to the authorized dealer, Vermeer Canada Incorporated, for the entire province of Ontario, which includes the Greater Toronto Area.

Parks and Recreation has reviewed the pricing and confirmed it is comparable to historical rates, current market, and other municipalities.

Included in the decision to accept any option year(s) of the Contract, is a price adjustment applied annually after the Contract's end date in accordance with the annual Consumer Price Index, (Consumer Price Index-All Items-Toronto) for a 12-month period, using the most current Consumer Price Index released month at the time of the first option year renewal.

All subsequent option year renewals will be evaluated using the same Consumer Price Index release month exercised during option year one (1) of the new year being exercised. All terms and conditions of the Contract shall remain the same and continue during the extended Term.

The Fair Wage Office has reported that Vermeer Canada Incorporated has indicated that it has reviewed and understands the Fair Wage Policy and Labour Trades requirements and has agreed to comply fully.

CONTACT

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SIGNATURE

Tom Azouz
Interim General Manager, Parks and Recreation

Geneviève Sharkey
Chief Procurement Officer