

Non-Competitive Agreement with Trecan Combustion Limited for the rent-to-own option and supply and delivery of Original Equipment Manufacturer (OEM) Services for Trecan Snowmelters

Date: October 9, 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 for the General Manager, Fleet Services Division, to enter into a non-competitive Agreement with Trecan Combustion Limited for the rental of Trecan Snowmelters, with an option to purchase the units at the end of the season, and for the non-exclusive supply and delivery of Original Equipment Manufacturer (OEM) labour, parts, certification, and training required for the City's existing and new Trecan Snowmelters.

The City currently owns and operates three (3) Snowmelters, which provide critical support to the City's winter operations. A Snowmelter is designed to melt large quantities of snow to effectively manage snow accumulation, which can reduce the costs and time associated with hauling snow to an alternative location. Snowmelters are a key part of the City's snow removal plan, as identified by a third-party independent consultant, Municipal VU Consulting Inc. Through EX25.5, Council directed the General Managers of Fleet and Transportation Services to determine surge capacity equipment needs related to major snow events, and the City Manager to work with Municipal VU Consulting Inc. to finalize a major snow event plan and associated communications plan based on findings from Municipal VU Consulting Inc.

The Fleet Services Division undertook two competitive procurement processes, in 2023 and 2025 respectively, for the maintenance and repair of its existing Snowmelters; however, neither led to securing a qualified vendor. The City's existing Snowmelters have aged, with two units requiring repairs and one unit requiring replacement. Additional units are also needed to ensure reliable equipment is available to support snow-clearing operations, including accounting for any service disruptions. Trecan Combustion Limited is the sole source supplier in Canada capable of providing Snowmelters of the size and specifications required by the City.

The initial contract term is one (1) year, from December 1, 2025, to November 30, 2026, with the option to renew for four (4) additional separate one (1) year periods. The total cost to the City for awarding this contract is \$2,869,780 net of HST recoveries (\$2,852,013 including all taxes and charges, \$2,820,145 net of HST) for the initial term. The full value of the contract, including all option renewal terms, is \$3,940,350 net of HST recoveries (\$4,452,595 including all taxes and charges, \$3,872,199 net of HST).

A non-competitive procurement 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 procurement will be proceeding under the exception related to Exclusive Rights, where Trecaan Combustion Limited and the City have 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 7.1.C).

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, Fleet Services, and the Chief Procurement Officer recommend that:

1. City Council authorize the General Manager, Fleet Services, to negotiate and execute a non-competitive agreement with Trecaan Combustion Limited for the rental (with associated parts and services, and option to buy) of Trecaan Snowmelters for an initial contract term of one (1) year from December 1, 2025, to November 30, 2026, with four (4) additional optional one (1) year renewal periods, for a total potential cost of \$3,940,350 net of HST recoveries (\$4,452,595 including all taxes and charges), on terms and conditions satisfactory to the General Manager, Fleet Services, in a form satisfactory to the City Solicitor.

FINANCIAL IMPACT

The total potential contract value identified in this report, including all option years, is \$3,872,199 net of all applicable taxes and charges (\$3,940,350 net of HST recoveries).

Funding in the amount of \$239,148 net of HST Recoveries for the portion of the initial period in 2025 is available in the 2025 Operating and Capital Budget for Fleet Services Division. Funding in the amount of \$2,630,631 net of HST Recoveries for the remainder of the initial term of the contract period is included in the 2026 Operating Budget and 2026 - 2035 Capital Budget and Plan Submission for the Fleet Services Division.

Should the City choose to exercise its option to renew for an additional four (4) separate one-year periods, then appropriate funding, if needed, will be included in the 2027 -2030 Operating Budget Submissions for the Fleet Services Division. Additional Funding details are provided in Tables 1 and 2.

Should the City choose to exercise its option to purchase the rental Trecan Snowmelters at the end of the season, then appropriate funding, if needed, will be included in the 2027-2036 Capital Budget and Plan Submission.

Table 1: Trecan Combustion Limited Operating financial impact summary by contract year, net of Harmonized Sales Tax Recoveries

Fleet Services Division Cost Centre: FL100 Cost Element:2181/4404	Total Value (Net of Harmonized Sales Tax Recoveries)
Initial Contract Period from December 1, 2025, to December 31, 2025	\$20,703
Initial Contract Period from January 1, 2026, to November 30, 2026	\$227,738
Option Year 1 from December 1, 2026, to December 31, 2026	\$21,325
Option Year 1 from January 1, 2027, to November 30, 2027	\$234,571
Option Year 2 from December 1, 2027, to December 31, 2027	\$21,964
Option Year 2 from January 1, 2028, to November 30, 2028	\$241,608
Option Year 3 from December 1, 2028, to December 31, 2028	\$22,623
Option Year 3 from January 1, 2029, to November 30, 2029	\$248,856
Option Year 4 from December 1, 2029, to December 31, 2029	\$23,302
Option Year 4 from January 1, 2030, to November 30, 2030	\$256,322
Total Cost from December 1, 2025, to November 30, 2030	\$1,319,012

Table 2: Trecan Combustion Limited Capital financial impact summary by contract year, net of Harmonized Sales Tax Recoveries

Fleet Services Division Cost Centre: CFL010 Cost Element:4510	Total Value (Net of Harmonized Sales Tax Recoveries)
Initial Contract Period from December 1, 2025, to December 31, 2025	\$218,445
Initial Contract Period from January 1, 2026, to November 30, 2026	\$2,402,893
Option Year 1 from December 1, 2026, to December 31, 2026	
Option Year 1 from January 1, 2027, to November 30, 2027	
Option Year 2 from December 1, 2027, to December 31, 2027	
Option Year 2 from January 1, 2028, to November 30, 2028	
Option Year 3 from December 1, 2028, to December 31, 2028	
Option Year 3 from January 1, 2029, to November 30, 2029	
Option Year 4 from December 1, 2029, to December 31, 2029	
Option Year 4 from January 1, 2030, to November 30, 2030	
Total Cost from December 1, 2025, to November 30, 2030	\$2,621,338

Table 2: Financial Impact Summary by Budget Year

Budget Year	Net of Harmonized Sales Tax Recoveries
2025	\$478,297
2026	\$2,434,132

Budget Year	Net of Harmonized Sales Tax Recoveries
2027	\$257,175
2028	\$264,890
2029	\$272,837
2030	\$233,020
Total	\$3,940,350

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

DECISION HISTORY

At its meeting on July 23 and 24 2025, City Council adopted item EX25.5, 2025 Winter Maintenance Review, which directed the General Manager, Transportation Services and the General Manager, Fleet Services to determine surge capacity equipment needs related to major snow events, including snow equipment, and the City Manager to work with Municipal VU Consulting Inc. and other City staff to finalize a robust major snow event plan and associated communications.

[Agenda Item History - 2025.EX25.5](#)

At its meeting on March 26 and 27, 2025, City Council adopted item EX21.1 - Review of Toronto's Winter Maintenance Program, which directed the City Manager to conduct a full review of winter maintenance operations.

[Agenda Item History - 2025.EX21.1](#)

On March 26, 2018, the Purchasing and Materials Management Division issued a Non-Competitive Agreement 47021660 (procurement No. 9164) to Trecan Combustion Limited for the non-exclusive supply and delivery of OEM-authorized labour, materials, and services for Trecan Snowmelters, in accordance with the provisions of the City of Toronto Municipal Code Chapters 71 and 195.

COMMENTS

A Snowmelter is a key piece of snow removal equipment; it melts large quantities of snow to effectively manage snow accumulation, which can reduce the cost and time associated with hauling snow to an alternative location. The City owns and operates three (3) Trecan Snowmelters; one unit was purchased in 2004 and requires replacement, and two units were purchased in 2010 and require service and maintenance for the upcoming winter season.

Previous efforts in August 2023 and July 2025 to competitively secure a vendor for the supply and delivery of labour, parts, certification and training did not result in securing a qualified vendor.

To ensure the City is prepared for the upcoming winter season, the Fleet Services Division in collaboration with Transportation Services, as directed through EX25.5, determined surge capacity equipment needs related to major snow events to support planning. Through this review, it was identified that additional Snowmelters are required to make sure that reliable equipment is available for snow clearing, including additional units to account for any service disruptions.

Trecan Combustion Limited is the sole source supplier in Canada for Snowmelters in the size the City requires and can provide the required services for the City's existing Snowmelters. Trecan Combustion Limited is a reputable supplier, having provided Snowmelters previously to the City, and having also supplied Snowmelters to various airports and jurisdictions across Canada and America, including Toronto Pearson Airport, Vancouver International Airport, Fort McMurray Airport, and New York City.

This contract will ensure that the City's Snowmelters are maintained and operated in accordance with OEM standards, supporting the safety of City staff and contractors, and ensuring reliable performance during major snow events. Access to OEM-authorized parts, inspections, and repair services helps prevent equipment failures, reduces downtime during critical winter operations, and extends the lifespan of the units. Maintaining standardized equipment and certified operator training also enhances operational efficiency and ensures compliance with safety and performance requirements.

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SIGNATURE

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