

Non-Competitive Contract with Wajax Limited for repairs, maintenance, service calls and authorized warranty work on Allison Automatic Transmissions for Toronto Fire Services

Date: March 23, 2026

To: General Government Committee

From: Fire Chief and General Manager, Toronto Fire Services and Chief Procurement Officer

Wards: All

SUMMARY

The purpose of this report is to seek City Council authority to permit the Fire Chief and General Manager, Toronto Fire Services to negotiate and enter into an agreement with Integrated Distribution Systems LP, o/a Wajax Limited, Wajax Equipment and Wajax Power Systems and Wajax Power Systems for the supply, on an as and when needed basis, of all Original Equipment Manufacturer parts, labour, materials, equipment and supplies, necessary to perform repairs, maintenance, service calls and authorized warranty work (the "Work") concerning automatic transmissions manufactured by Allison Transmissions Inc. for Toronto Fire Services firefighting apparatus. The total value of the agreement is in the maximum total amount of \$1,167,038 net of all applicable taxes and charges (\$1,187,578 net of Harmonized Sales Tax Recoveries).

Toronto Fire Services operates a fleet of approximately 190 firefighting apparatus, all of which utilize Allison brand transmissions. The City currently has an existing agreement with Wajax Limited for the supply and delivery of Repairs, Maintenance, Service Calls, and Authorized Warranty Work for automatic transmissions manufactured by Allison Transmissions Inc., with respect to Toronto Fire Services vehicles. The term of the current agreement concludes as of November 30, 2026. Allison Transmissions Inc. has identified to the City that Wajax Limited has an agreement with Allison Transmission Inc. for the exclusive right to provide maintenance and Original Equipment Manufacturer parts for automatic Transmissions manufactured by Allison Transmissions Inc. within Ontario, and that this arrangement is set to expire as of December 31, 2030.

Therefore, it is not practical to commence a competitive procurement process at this time, as there is only one (1) available supplier. A further agreement with Wajax Limited, the current exclusive supplier for the necessary goods and services is required to

ensure that the City can continue to receive the critical parts and service required to maintain the Allison brand transmissions in the Toronto Fire Services fleet of firefighting apparatus. Toronto Fire Services believes that any gaps between the current contract and the future contract should be avoided as such gaps in necessary goods and services could potentially compromise the safety and reliability of the firefighting apparatus. The term of the agreement sought would be approximately four and a half (4.5) years and would commence as soon as possible due to the current rate of spend of the current agreement and conclude in accordance with the current exclusivity agreement between Allison Transmissions Inc. and Wajax Limited.

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 with Wajax Limited 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 7.1E.).

City Council approval is required 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 limit for each vendor under Article 7, Section 195-7.3(D) of the Purchasing 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 71-11(A).

RECOMMENDATIONS

The Fire Chief and General Manager, Toronto Fire Services and Chief Procurement Officer recommend that:

1. City Council authorize the Fire Chief and General Manager, Toronto Fire Services to negotiate and enter into an agreement with Integrated Distribution Systems LP, o/a Wajax Limited, and other business names ("Wajax Limited") for the supply and delivery of, on an as and when required basis, of the Repairs, Maintenance, Service Calls, and Authorized Warranty Work, concerning automatic transmissions manufactured by Allison Transmissions Inc. (the "Work"), in the maximum total amount of \$1,167,038 net of all applicable taxes and charges (\$1,187,578 net of Harmonized Sales Tax Recoveries) for the period commencing on June 1, 2026, and concluding on December 30, 2030, inclusive and otherwise on the terms and conditions satisfactory to the Fire Chief and General Manager, Toronto Fire Services, and in a form acceptable to the City Solicitor.

FINANCIAL IMPACT

The total value of the contract identified in this report is \$1,167,038 net of all applicable taxes and charges (\$1,187,578 net of Harmonized Sales Tax Recoveries).

Funding for 2026 is available in the 2026 Operating Budget for Toronto Fire Services. Funding for the option years will be included for consideration in the 2027-2030 Operating Budget Submissions for Toronto Fire Services. The cash flow funding requirement for this contract, if all option years are exercised, is summarized in Table 1, as noted below:

Table 1: Financial Impact Summary (Net of Harmonized Sales Tax Recoveries)

Cost Centre/ Cost Element	Initial Term June 1, 2026 to December 31 2026	Initial term January 1 2027 to May 31 2027	Option Term 1: June 1 2027 to May 31 2028	Option Term 2: June 1 2028 to May 31 2029	Option Term 3: June 1 2029 to May 31 2030	Option Term 4: June 1 2030 to December 31 2030	Total Net of Harmonized Sales Tax Recoveries
FR0025/ 5020032	\$108,059	\$108,059	\$237,730	\$261,504	\$287,651	\$184,575	\$1,187,578

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

DECISION HISTORY

On November 14, 2018, the Bid Award Panel adopted, without amendment the recommended award of Request for Quotation 6102-18-0227, to Integrated Distribution Systems Limited Partnership o/a Wajax Limited for the Provision of Repairs, Maintenance, Service Calls, and Authorized Warranty Work on Allison Automatic Transmissions for Toronto Fire Services.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.BA107.3>

COMMENTS

Toronto Fire Services requires a supplier to continue to provide the parts, labour, materials, equipment, supplies, and services including the pickup and delivery of vehicles, as required to perform the repairs, maintenance, service calls, and authorized warranty work necessary to ensure the transmissions within the firefighting apparatus operated by Toronto Fire Services remain in a state of good repair.

Toronto Fire Services operates a fleet of firefighting apparatus including approximately 190 front-line heavy fire suppression vehicles. These 190 front-line heavy fire

suppression vehicles primarily utilize automatic transmissions that are manufactured by Allison Transmissions Inc. The City requires an on-going supply of the required parts, labour, materials, equipment, supplies, service calls, and authorized warranty work necessary to ensure the transmissions remain in a state of good repair, for the duration of the overall life cycle of the front-line heavy fire suppression vehicles. The typical anticipated overall life cycle of these vehicles is 12 to 15 years.

The City requires, the supply of parts, labour (installation, repair, storage, etc.), materials, equipment, supplies, service calls, and authorized warranty work necessary to ensure the transmissions remain in a state of good repair, which includes the supply of Original Equipment Manufacturer parts, labour, materials, equipment and supplies, (including provision of specific transmission oil), as well as pickup and delivery of vehicles, on both a "road service" and at Supplier facility located as necessary to perform repairs, maintenance, service calls and authorized warranty work concerning automatic transmissions manufactured by Allison Transmissions Inc. respecting Toronto Fire Services firefighting apparatus, in accordance with the specifications satisfactory to the Fire Chief and General Manager, Toronto Fire Services (the "Work").

A contract for the Work is essential to ensure these emergency response vehicles are not taken out of service, which could lead to reduced fleet availability. Toronto Fire Services staff currently perform in-house minor repairs and servicing that are within the Division's capabilities and capacity; these in-house operations require a reliable supply of Allison Original Equipment Manufacturer parts. Repairs such as transmission reprogramming, calibration, removal, replacement, and overhauls of transmissions are considered major repairs and are completed by the supplier at a facility located in Toronto.

Contract History:

The City has had a series of contracts for the Work (required parts, labour, materials, equipment, supplies, service calls, and authorized warranty work) necessary to ensure the automatic transmissions manufactured by Allison Transmissions Inc., remain in a state of good repair. Initially, the City entered into a contract arising from Request for Quotation 6102-18-0227, to provide the Work for the City of Toronto's Toronto Fire Services Division.

In 2022, the City issued a second Request for Quotation Doc3509256071, for the Work, no quotations were received prior to closing. Subsequently the City received notice from Allison Transmission Inc. that Wajax Limited had been identified as the exclusive supplier of warranty work and service for transmissions manufactured by Allison Transmission Inc. within Ontario until December 31, 2025. Purchasing and Materials Management Division staff, directed that in light of the status of Wajax Limited as the exclusive supplier, of the Work within Ontario that a non-competitive procurement for the supply of these goods and services would be acceptable.

As a result, an agreement for the supply and delivery of the Work required to ensure the automatic transmissions manufactured by Allison Transmissions Inc., remain in a state of good repair with respect to Toronto Fire Services firefighting apparatus, was executed. The term of this current agreement concludes as of November 30, 2026.

This current contract with Wajax Limited with the Work has a total maximum value of \$496,920.90 and a total term of approximately four years. The initial maximum term of the current agreement for the period from 2022 until the end of the noted exclusivity period in 2025. In 2025, the City was informed by Wajax Limited, that they were in the process of negotiating a further period of exclusive supply within Ontario, with Allison Transmissions Inc. As a result, the current agreement was amended to extend the agreement's term for a further one (1) year period, with no increase to the total maximum value, to address this potential concern. Due to the total maximum value and term length the current agreement was within the delegated authority, and report to City Council was not required for the execution of the current agreement. In late 2025, Allison Transmissions Inc. confirmed to the City that, once again, Allison Transmissions Inc. has entered into an agreement providing Wajax Limited the exclusive right to provide maintenance and parts for Allison Automatic Transmissions within Ontario. The current period of exclusivity under this new agreement between Allison Transmissions Inc. and Wajax Limited is set to expire as of December 31, 2030.

Proposed Contract

The purpose of this report is to seek the delegated authority to negotiate and enter into an agreement with Integrated Distribution Systems LP, o/a Wajax Limited, Wajax Equipment and Wajax Power Systems; and, Wajax Power Systems ("Wajax Limited") for the supply, on an as and when needed basis, of the Work (all Original Equipment Manufacturer parts, labour, materials, equipment and supplies, necessary to perform repairs, maintenance, service calls and authorized warranty work) concerning automatic transmissions manufactured by Allison Transmissions Inc. respecting Toronto Fire Services firefighting apparatus.

Toronto Fire Services has compared the hourly service charges and mark up percentage for Original Equipment Manufacturer parts, proposed by Wajax Limited and confirms that the unit prices are fair, reasonable, and are in line with industry standards.

The maximum total amount of the proposed contract would be \$1,167,038 excluding Harmonized Sales Tax; \$1,318,753 including Harmonized Sales Tax, and \$1,187,578 net of Harmonized Sales Tax Recoveries. The term of the agreement sought would be approximately four and a half (4.5) years and would commence on June 1, 2026, possible due to the current rate of spend of the current agreement and conclude in accordance with the current exclusivity agreement between Allison Transmissions Inc. and Wajax Limited.

Toronto Fire Services believes that any gaps between the current contract and the future contract should be avoided as such gaps in necessary goods and services could potentially compromise the safety and reliability of the firefighting apparatus. Current estimates with respect to the potential needs of the City indicates that the current agreement may not be sufficient to address the City's needs for the supply of the Work until the end of the existing agreement's term. The term of the proposed agreement sought would be approximately 4 and one-half (4.5) years as it would commence upon

June 1, 2026, and conclude in accordance with the supplier's current exclusivity agreement with Allison Transmissions Inc.

The Fair Wage Office has reported that Wajax Limited has 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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