

## **Non-Competitive Agreements Required to Support the Existing and New Electric Ferries**

**Date:** March 23, 2026

**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, to enter into four (4) separate non-competitive agreements required to ensure the safe, reliable, and compliant operation of the City of Toronto's ferry services. These agreements support regulatory certification, vessel maintenance and repair, and specialized electrical systems support for both the existing and new electrical ferries entering service in 2026 and 2027.

The agreements are required to meet legislative obligations under the *Canada Shipping Act, 2001* (CSA 2001), including maintaining continuity with existing certification service providers and ensuring access to specialized infrastructure, as well as securing Original Equipment Manufacturer (OEM) support that cannot be competitively sourced.

The General Manager, Fleet Services and the Chief Procurement Officer support and recommend non-competitive procurements for the services noted in this report, to:

- Align with industry best practices;
- Maintain critical business continuity, particularly important during an upcoming and sustained critical period (i.e., 2026 FIFA World Cup and the arrival of two new vessels); and,
- Respond to unique market conditions where no other suitable vendor can deliver certain ferry services needed by the City.

The General Manager, Fleet Services and the Chief Procurement Officer support and recommend non-competitive procurements for the following:

- Bureau Veritas Marine (Canada) Inc. and Lloyd's Register Canada Limited to provide mandatory marine surveys, inspections, and certification services under the CSA 2001 through the Delegated Statutory Inspection Program (DSIP).

Continuity with current Classification Societies aligns with industry best practice and avoids significant operational and regulatory risks.

- Ontario Shipyards Inc. to provide required dry docking and ship repair services. This is the only facility on Lake Ontario capable of accommodating the size and weight of the new electric ferries.
- Aspin Kemp & Associates Inc. (AKA Energy Systems) to provide OEM warranty and non-warranty maintenance, diagnostics, repair, training and parts for the ferry electrical and charging systems, including the Shore Electrical System (SES), Automatic Shore Charging System (ASCS), and Vessel Electrical System (VES).

The initial term for each agreement will be from June 1, 2026, to May 31, 2027, with the option to renew each agreement for four (4) additional one (1) year periods.

The total combined cost to the City for the initial term is \$4,060,288 net of HST recoveries (\$3,990,063 net of HST, \$4,508,771 including all taxes and charges). The total combined potential cost, including all renewal options, is \$17,483,958 net of HST recoveries (\$17,181,562 net of HST, \$19,415,165 including all taxes and charges).

City Council approval is required in accordance with Municipal Code Chapter 195-Procurement, where the current request exceeds the Chief Procurement Officer's authority of the cumulative five-year commitment for each supplier, under Article 7, Section 195- 7.3 (D) of the Procurement By-Law or exceeds the threshold of \$500,000 net of HST allowed under staff authority.

Adoption of the recommendations in this report will enable Fleet Services to continue delivering safe, reliable, and compliant ferry service to Toronto Island residents and visitors.

## **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 Bureau Veritas Marine (Canada) Inc. for marine survey and certification services, including issuance of Canadian Maritime Documentation on behalf of Transport Canada, for an initial term from June 1, 2026, to May 31, 2027, with four (4) optional one-year renewal periods, for a total potential cost of \$1,017,845 net of HST recoveries (\$1,000,241 net of HST, \$1,130,272 including all taxes and charges), on terms and conditions satisfactory to the General Manager, Fleet Services, and in a form satisfactory to the City Solicitor.
2. City Council authorize the General Manager, Fleet Services, to negotiate and execute a non-competitive agreement with Lloyd's Register Canada Limited for marine survey

and certification services, including issuance of Canadian Maritime Documentation on behalf of Transport Canada, for an initial term from June 1, 2026, to May 31, 2027, with four (4) optional one-year renewal periods, for a total potential cost of \$1,596,314 net of HST recoveries (\$1,568,705 net of HST, \$1,772,637 including all taxes and charges), on terms and conditions satisfactory to the General Manager, Fleet Services, and in a form satisfactory to the City Solicitor.

3. City Council authorize the General Manager, Fleet Services, to negotiate and execute a non-competitive agreement with Ontario Shipyards Inc. for the non-exclusive supply of labour, equipment, materials, dry docking services, warranty and non-warranty repairs, transportation, permits, and incidentals required for vessel maintenance for an initial term from June 1, 2026, to May 31, 2027, with four (4) optional one-year renewal periods, for a total potential cost of \$8,799,461 net of HST recoveries (\$8,647,269 net of HST, \$9,771,414 including all taxes and charges), on terms and conditions satisfactory to the General Manager, Fleet Services, and in a form satisfactory to the City Solicitor.

4. City Council authorize the General Manager, Fleet Services, to negotiate and execute a non-competitive agreement with Aspin Kemp & Associates Inc. for the non-exclusive supply of labour, parts, equipment, diagnostics, repairs, training, travel, and OEM warranty and non-warranty services for the Shore Electrical System (SES), Automatic Shore Charging System Towers (ASCS) and Vessel Electrical System (VES), for an initial term from June 1, 2026, to May 31, 2027, with four (4) optional one-year renewal periods, for a total potential cost of \$6,070,337 net of HST recoveries (\$5,965,347 net of HST, \$6,740,842 including all taxes and charges), on terms and conditions satisfactory to the General Manager, Fleet Services, and in a form satisfactory to the City Solicitor.

## **FINANCIAL IMPACT**

---

The total combined potential value of the four (4) agreements identified in this report is \$17,483,958 net of HST recoveries (\$17,181,562 net of HST, \$19,415,165 including all taxes and charges).

Funding in the amount of \$2,368,502 net of HST recoveries for the 2026 portion of the initial term of the contract is included in the 2026-2035 Capital Budget and Plan for Fleet Services Division. Funding for the remainder of the initial term will be included in future Operating Budget submissions for the Fleet Services Division.

Should the City exercise the optional renewal periods, funding, if required, will be included in the 2027-2031 Annual Operating and Capital Budget submissions for the Fleet Services Division. Funding details are provided in Tables 1 through 5, below.

Table 1: Non-Competitive Agreement with Bureau Veritas Marine (Canada) Inc, financial impact summary by contract year, net of HST Recoveries

<b>Fleet Services Division Cost Centre: CFL084-11 Cost Element: 5020137/5020032</b>	<b>Total Contract Value (Net of HST Recoveries)</b>
Initial Term from June 1, 2026, to December 31, 2026	\$111,834
Initial Term from January 1, 2027, to May 31, 2027	\$79,882
Optional Year 1 from June 1, 2027, to December 31, 2027	\$115,189
Optional Year 1 from January 1, 2028, to May 31, 2028	\$82,278
Optional Year 2 from June 1, 2028, to December 31, 2028	\$118,645
Optional Year 2 from January 1, 2029, to May 31, 2029	\$84,746
Optional Year 3 from June 1, 2029, to December 31, 2029	\$122,204
Optional Year 3 from January 1, 2030, to May 31, 2030	\$87,289
Optional Year 4 from June 1, 2030, to December 31, 2030	\$125,871
Optional Year 4 from January 1, 2031, to May 31, 2031	\$89,907
<b>Total Cost from June 1, 2026, to May 31, 2031</b>	<b>\$1,017,845</b>

Table 2: Non-Competitive Agreement with Lloyd's Register Canada Limited, financial impact summary by contract year, net of HST Recoveries

<b>Fleet Services Division Cost Centre: CFL084-11 Cost Element: 5020137/5020032</b>	<b>Total Contract Value (Net of HST Recoveries)</b>
Initial Term from June 1, 2026, to December 31, 2026	\$182,229
Initial Term from January 1, 2027, to May 31, 2027	\$130,164
Optional Year 1 from June 1, 2027, to December 31, 2027	\$179,020
Optional Year 1 from January 1, 2028, to May 31, 2028	\$127,872
Optional Year 2 from June 1, 2028, to December 31, 2028	\$184,391
Optional Year 2 from January 1, 2029, to May 31, 2029	\$131,708

<b>Fleet Services Division Cost Centre: CFL084-11 Cost Element: 5020137/5020032</b>	<b>Total Contract Value (Net of HST Recoveries)</b>
Optional Year 3 from June 1, 2029, to December 31, 2029	\$189,922
Optional Year 3 from January 1, 2030, to May 31, 2030	\$135,659
Optional Year 4 from June 1, 2030, to December 31, 2030	\$195,620
Optional Year 4 from January 1, 2031, to May 31, 2031	\$139,729
<b>Total Cost from June 1, 2026, to May 31, 2031</b>	<b>\$1,596,314</b>

Table 3: Non-Competitive Agreement with Ontario Shipyards Inc., financial Impact summary by contract year, net of HST Recoveries

<b>Fleet Services Division Cost Centre: CFL084-11 Cost Element: 5020137/5020032</b>	<b>Total Contract Value Capital Budget (Net of HST Recoveries)</b>
Initial Term from June 1, 2026, to December 31, 2026	\$872,355
Initial Term from January 1, 2027, to May 31, 2027	\$623,110
Optional Year 1 from June 1, 2027, to December 31, 2027	\$3,005,953
Optional Year 1 from January 1, 2028, to May 31, 2028	\$2,147,111
Optional Year 2 from June 1, 2028, to December 31, 2028	\$405,937
Optional Year 2 from January 1, 2029, to May 31, 2029	\$289,954
Optional Year 3 from June 1, 2029, to December 31, 2029	\$418,115
Optional Year 3 from January 1, 2030, to May 31, 2030	\$298,654
Optional Year 4 from June 1, 2030, to December 31, 2030	\$430,659

<b>Fleet Services Division Cost Centre: CFL084-11 Cost Element: 5020137/5020032</b>	<b>Total Contract Value Capital Budget (Net of HST Recoveries)</b>
Optional Year 4 from January 1, 2031, to May 31, 2031	\$307,613
Total Cost from June 1, 2026, to May 31, 2031	\$8,799,461

Table 4: Non-Competitive Agreement with Aspin Kemp & Associates Inc., financial Impact summary by contract year, net of HST Recoveries

<b>Fleet Services Division Cost Centre: CFL084-11 Cost Element: 5020137/5020032</b>	<b>Total Contract Value (Net of HST Recoveries)</b>
Initial Term from June 1, 2026, to December 31, 2026	\$1,202,083
Initial Term from January 1, 2027, to May 31, 2027	\$858,631
Optional Year 1 from June 1, 2027, to December 31, 2027	\$559,071
Optional Year 1 from January 1, 2028, to May 31, 2028	\$399,337
Optional Year 2 from June 1, 2028, to December 31, 2028	\$575,844
Optional Year 2 from January 1, 2029, to May 31, 2029	\$411,317
Optional Year 3 from June 1, 2029, to December 31, 2029	\$593,119
Optional Year 3 from January 1, 2030, to May 31, 2030	\$423,657
Optional Year 4 from June 1, 2030, to December 31, 2030	\$610,912
Optional Year 4 from January 1, 2031, to May 31, 2031	\$436,366
Total Cost from June 1, 2026, to May 31, 2031	\$6,070,337

Table 5: Combined Financial Impact Summary by Budget Year

<b>Budget Year</b>	<b>Net of HST Recoveries</b>
2026	\$2,368,502
2027	\$5,551,021

Budget Year	Net of HST Recoveries
2028	\$4,041,412
2029	\$2,241,087
2030	\$2,308,320
2031	\$973,616
Total	\$17,483,958

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

**DECISION HISTORY**

---

At its meeting on November 12 and 13, 2025, City Council adopted Item 2025.EX27.5 - Progress Report on the Toronto Ferry Service. The Deputy City Manager, Corporate Services, provided City Council with an update on key directives pertaining to the Toronto Ferry Service.

<https://secure.toronto.ca/council/agenda-item.do?item=2025.EX27.5>

At its meeting on July 24 and 25, 2024, City Council adopted Item 2024.GG14.8 - Process for Award of Negotiable Request for Proposal Document Number 4053424337 for the Construction of Two New Fully Electric Ferry Vessels. The General Manager, Parks, Forestry and Recreation, was authorized to negotiate and execute an agreement with Damen Shipbuilding 5 B.V., the top-ranked proponent, for the construction, delivery, commissioning, and warranty of two fully electric ferry vessels (RoPax and Pax).

<https://secure.toronto.ca/council/agenda-item.do?item=2024.GG14.8>

At its meeting on May 1, 2024, General Government Committee approved Item 2024.GG12.5 - Amendment to Purchase Order Number 6044203 with Concept Naval Experts Maritimes Inc. for the Provision of Design and Construction Support Services for the Delivery of Two Electric Ferries and Associated Shore-side Infrastructure for Parks Forestry and Recreation.

<https://secure.toronto.ca/council/agenda-item.do?item=2024.GG12.5>

**COMMENTS**

---

The City of Toronto provides passenger and freight ferry service to the Toronto Islands in compliance with federal, provincial, and municipal requirements. In 2025, the ferry service made over 18,000 round trips, serving approximately 1.3 million passengers. The current fleet consists of four vessels: William Inglis, Sam McBride, Thomas Rennie,

and Ongiara. To support the City's TransformTO Net Zero Strategy, two (2) new fully electric ferries have been procured and are expected to enter service in 2026 and 2027.

## **Classification Societies**

The CSA 2001 establishes Canada's legislative framework governing marine safety, environmental protection, vessel construction, crewing, and regulatory oversight. Under the CSA 2001, vessel owners must participate in the DSIP, which authorizes Classification Societies to conduct inspections and issue certification on behalf of Transport Canada. Bureau Veritas Marine (Canada) Inc. and Lloyd's Register Canada Limited are recognized Classification Societies, which enable them to inspect and certify vessels for the purpose of issuing Canadian Maritime Documentation in accordance with CSA 2001.

Since the DSIP was established on January 1, 2014, Lloyd's Register Canada Limited has provided and continues to provide classification services for the City's current active ferry fleet. Lloyd's Register Canada Limited delivers a comprehensive verification service that ensures compliance with the requirements set out in the rules and standards established under the CSA 2001. These services include, but are not limited to, issuing certificates for vessels and systems to confirm compliance with international and national standards, monitoring compliance and auditing approved service suppliers responsible for equipment maintenance, and providing engineering and technical advice related to ship performance, safety, and environmental compliance.

Bureau Veritas Marine (Canada) Inc. is currently providing classification services for the new electric ferries scheduled to arrive in 2026 and 2027. Bureau Veritas has been working closely with the ship manufacturer and City staff throughout the vessel design and construction phases to ensure the new ferries meet all safety standards and comply with the requirements of the CSA 2001. Once the vessels are delivered, come into the City's possession, and enter service, classification services will continue to be required for the duration of their operational lives. These services include issuing compliance certificates, auditing approved maintenance service suppliers, and providing engineering and technical advice on vessel performance, safety, and environmental compliance.

Industry best practice supports continuity with the existing Classification Society for each vessel. Further, a consulting firm retained by the city to assess and strengthen ferry asset management has also recommended maintaining the current Classification Societies. As a result, the Fleet Services Division requires non-competitive contracts with Bureau Veritas Marine (Canada) Inc. and Lloyd's Register Canada Limited to maintain its current Classification Societies and avoid significant operational and regulatory risks. These risks include potential loss or suspension of class, re-issuance or re-verification of statutory certificates, additional surveys, differences in regulatory interpretation, disruption of certification continuity, and loss of the integrity of historical vessel records.

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 Non-Competitive Agreements Required to Support the Existing and New Electric Ferries

proceeding under the exception related to the Absence of Competition, where Bureau Veritas (Canada) Inc and Lloyd's Register Canada 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.B).

## **Dry Dock and Ship Repair**

A contract with Ontario Shipyards Inc. is required to dry dock the new electric ferries for required maintenance and repairs. During dry docking, vessels are removed from the water to allow for detailed inspection and repairs, ensuring they remain in compliance with all safety requirements. Each electric ferry must dry dock at a minimum every five years, as required under CSA 2001, but may also dry dock for repairs or modifications on an ad hoc basis, as needed.

Due to the size and weight of the new electric ferries, Ontario Shipyards Inc. is the only Canadian facility on Lake Ontario capable of accommodating them. The City's current dry dock service provider has confirmed in writing that it cannot accommodate the new vessels.

Ontario Shipyards Inc. maintains established working relationships with the City's Classification Societies (Bureau Veritas and Lloyd's Register), facilitating compliance with inspection and certification requirements during dry dock periods.

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 Absence of Competition, where Ontario Shipyards Inc., 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.B).

All future dry docks required by CSA 2001 will be negotiated and managed individually for each vessel, consistent with industry best practise and expert advice received by the City. As a result, the Fleet Services Division will bring additional reports as required to General Governance Committee, to secure the necessary one-time approval for each required dry dock service.

## **Shore and Vessel Electrical Infrastructure**

To accommodate the new electric vessels and support their operations, the City initiated the Shoreside Infrastructure Project, led by the Toronto Port Lands Company (CreateTO). The project includes the fabrication, construction and installation of mechanical, civil and electrical/charging infrastructure. Specifically, the Shore Electrical System (SES), or e-houses, includes electrical equipment and systems, such as a battery storage system and the Automatic Shore Charging Systems (ASCS), or charging towers, to charge and power the Vessel Electrical System (VES).

Aspin Kemp & Associates Inc. is responsible for the design and installation of these integrated electrical systems. CreateTO identified the need for a formal OEM service agreement to mitigate operational risk, including potential system faults, downtime, and reputational impact related to the reliability of the electric ferry program. Continued engagement of the OEM, Aspin Kemp & Associates Inc., is required to ensure warranty compliance, proper diagnostics, preventative maintenance, and adherence to technical standards.

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 Aspin Kemp & Associates Inc. 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 as the cumulative five-year commitment for each agreement exceeds the Chief Procurement Officer's delegated authority for non-competitive procurement under Chapter 195, Section 7.3

## **CONTACT**

---

Michael Polera, Director Ferry Operations, Fleet Services Division, 416-394-4065,  
[Michael.Polera@toronto.ca](mailto:Michael.Polera@toronto.ca)

Marianne Gonzalez Angulo, Manager, Purchasing and Materials Management Division,  
416-338-3109, [Marianne.GonzalezAngulo@toronto.ca](mailto:Marianne.GonzalezAngulo@toronto.ca)

## **SIGNATURE**

---

Abi Thomas  
General Manager  
Fleet Services Division

Geneviève Sharkey  
Chief Procurement Officer