

### Section I – Items for Board of Directors Action

**TO:** Chair and Members of the Board of Directors  
Friday, April 28, 2023 Meeting

**FROM:** Anil Wijesooriya, Director, Restoration and Infrastructure

**RE:** **VENDOR OF RECORD ARRANGEMENT FOR RENTAL OF CONSTRUCTION EQUIPMENT – CONTRACT EXTENSION**  
Contract No. 10037819

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#### **KEY ISSUE**

Extension of Contract No. 10037819 for the Vendor of Record (VOR) arrangement for the rental of construction equipment from August 1, 2023 to August 1, 2024.

#### **RECOMMENDATION:**

**WHEREAS** Toronto and Region Conservation Authority (TRCA) is engaged in a variety of programs/projects that require the use of rented construction equipment;

**WHEREAS** TRCA solicited proposals through a publicly advertised process and awarded Contract No. 10037819 through delegated authority to Atlas Dewatering Corporation, Battlefield Equipment Rentals, Cooper Equipment Rentals Ltd., Herc Rentals, Sunbelt Rentals of Canada Inc., and United Rentals of Canada Inc. on August 1, 2022;

**AND WHEREAS** TRCA staff are satisfied with the goods and services provided to date under the current contract;

**THEREFORE IT IS RECOMMENDED THAT** TRCA staff be directed to exercise their contractual right to extend the VOR arrangement with Atlas Dewatering Corporation, Battlefield Equipment Rentals, Cooper Equipment Rentals Ltd., Herc Rentals, Sunbelt Rentals of Canada Inc., and United Rentals of Canada Inc. for an additional one (1) year, to August 1, 2024;

**AND THAT** authorized TRCA officials be directed to take whatever action may be required to implement the contract, including the obtaining of necessary approvals and the signing and execution of any documents.

**AND THAT** TRCA staff shall only order equipment under this contract that is manufactured in 2008 or later, unless such equipment is not available by any Vendor, in which case, an older piece of equipment may be used;

**AND FURTHER THAT** TRCA staff will include a requirement for Vendors to have equipment that is manufactured in 2008 or later for all future iterations of the construction equipment rental Vendor of Record contracts.

#### **BACKGROUND**

TRCA requires access to a range of construction equipment for completing a variety of

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engineering, habitat, restoration, and trail building projects throughout TRCA jurisdiction.

Through a VOR arrangement for rental of construction equipment, vendors are authorized to provide these goods and services for a defined period of time and with fixed pricing. Staff may contact any vendor on the list with the expertise and experience required for their project or program requirements with a value up to \$100,000 per project, per annum. Services above this threshold will be procured through a separate competition and are subject to TRCA's Procurement Policy.

Furthermore, where rental companies on the VOR list are not available for a particular project within the timelines required for TRCA to meet its deliverables, staff are authorized to procure the required services following TRCA's Procurement Policy.

Vendors are required to provide all resources required to service the divisional or program needs in accordance with applicable laws, codes, standards, terms and conditions of the VOR agreement.

At the Board of Directors Meeting held on June 24, 2022, Resolution #A76/22 was approved in part as follows:

THEREFORE, LET IT BE RESOLVED THAT the Chief Executive Officer be delegated authority to award the Vendor of Record contracts for rental of construction equipment for an initial term of one (1) year with an option to extend for an additional one (1) year at TRCA staff's discretion;

AND THAT any extensions be brought forward to the Board of Directors for approval at a later date;

On August 1, 2022, with the delegated authority provided to TRCA's Chief Executive Officer, Contract No. 10037819 was awarded to Atlas Dewatering Corporation, Battlefield Equipment Rentals, Cooper Equipment Rentals Ltd., Herc Rentals, Sunbelt Rentals of Canada Inc., and United Rentals of Canada Inc. at a value not to exceed \$1,665,000, plus applicable taxes, plus a 15% contingency for a term of one (1) year.

Furthermore, the VOR agreements with all vendors has the option to extend the contract by an additional term of one (1) year, at TRCA's discretion and upon written notice to the vendors.

### **RATIONALE**

On March 1, 2023, the Evaluation Committee for Contract #10037819 conducted an annual review of the performance of vendors on the VOR list for this contract. The Committee recommended extending the current contract for an additional one (1) year with all vendors as the value and quality of services delivered to date were deemed satisfactory.

It is estimated that extending the expiry date from August 1, 2023 to August 1, 2024 will not require a value increase, beyond the value approved at the time of contract award. This estimate is based on average daily expenditures recorded at the time of writing this report.

During TRCA's Board of Director's meeting held on February 17, 2023 there were some concerns from board members regarding the emissions of diesel engines manufactured

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before 2008, as it related to the contract extension of TRCA's operated construction equipment VOR.

In an effort to alleviate similar concerns for this contract, TRCA staff making orders through this contract will be directed to strictly rent equipment manufactured after 2008. The only exception to this requirement is if there is no equipment available meeting these criteria, and sourcing such equipment would cause project delays.

### **Relationship to TRCA's 2022-2034 Strategic Plan**

This report supports the following Pillars and Outcomes set forth in TRCA's 2023-2034 Strategic Plan:

#### **Pillar 1 Environmental Protection and Hazard Management:**

- 1.1 Deliver provincially mandated services pertaining to flood and erosion hazards

#### **Pillar 1 Environmental Protection and Hazard Management:**

- 1.2 Leadership in greenspace conservation

#### **Pillar 4 Service Excellence:**

- 4.3 Responsive relationships and a trusted brand with a reputation for excellence

### **FINANCIAL DETAILS**

As of February 28, 2023, expenditures during the initial one (1) year term of this contract have totaled \$292,974, plus applicable taxes. It is estimated that by the end of the initial contract term, on August 1, 2023, expenditures will total \$585,949, plus applicable taxes.

As per the Agreements with TRCA, vendors may increase unit rates at the time of extension to a maximum of the preceding year's Ontario's Consumer Price Index (CPI) as published by Statistics Canada ([Ontario Consumer Price Index \(Toronto – All Items category\)](#)).

The most recent data published by Statistics Canada at the time of writing this report indicates a change of +5.7% for the period of January 2022 – January 2023, which has the potential to translate to a 5.7% increase in vendor unit rates across all equipment categories.

Assuming allocation of services under this VOR will be similar to the initial term of this contract, and accounting for a potential 5.7% unit rate increase, it is forecasted that expenditures for the proposed 2023-2024 term extension will be \$621,050, plus applicable taxes. Based on the estimated expenditures to complete the initial term, and the extension being proposed, expenditures are estimated to reach \$1,206,999, plus applicable taxes.

No value extension is required as part of this proposed contract extension, as the previously approved contract value of \$1,665,000, plus applicable taxes is sufficient.

The goods and services through this contract will be provided on an "as required" basis with no minimum services guaranteed. While TRCA staff have made every reasonable

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effort to accurately forecast expenditures under this VOR contract, an increase or decrease in workload will have an impact on these expenditures.

All vendors on the VOR list understand both the potential cost and resource implications associated with changes in workload.

Services provided under this VOR arrangement are used to support a variety of capital and cost recoverable project accounts. The funds required to purchase these services are budgeted directly with these accounts.

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