

Section II – Items for Executive Action

TO: Chair and Members of the Executive Committee
Meeting #10/19, Friday, January 10, 2020

FROM: Michael Tolensky, Chief Financial and Operating Officer

RE: **ADOPTION OF PROVINCIAL VENDOR OF RECORD ARRANGEMENT OSS-00634452 VEHICLE ACQUISITIONS AND UPFITTING**
RFP No. 10022400

KEY ISSUE

Adoption of Province of Ontario Vendor of Record (VOR) arrangement OSS-00634452 Vehicle Acquisitions and Upfitting for the period of 2020 through 2022 vehicle acquisition cycle.

RECOMMENDATION

WHEREAS Toronto and Region Conservation Authority (TRCA) is engaged in a variety of programs/projects that require motor vehicles to facilitate program operations and the implementation of various deliverables;

AND WHEREAS TRCA has identified motor vehicle assets requiring replacement and or acquisition over the period of 2020 – 2022;

AND WHEREAS the Province of Ontario has solicited and evaluated proposals through a publicly advertised process for Vendor of Record (VOR) arrangement OSS-00634452;

THEREFORE LET IT BE RESOLVED THAT TRCA staff be directed to utilize the Province of Ontario's VOR arrangement OSS-00634452 for the supply of motor vehicles and upfitting for the balance of the contract term ending in 2022 with an option for two (2) one-year term extensions as and when approved by the Province;

AND FURTHER 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.

BACKGROUND

TRCA requires the use of a fleet of diverse motor vehicles in order to meet project and program deliverables. TRCA's motor vehicle fleet ranges in classification from passenger vehicles to light and medium duty commercial vehicles with a mixed composition of conventionally fueled engines and/or modern technological power systems i.e. Electric Vehicle (EV), Plug-In Hybrid Electric Vehicle (PHEV) and conventional Hybrid. The duty cycle of the vehicles ranges from mild to heavy service applications depending on Divisional and Program requirements. TRCA Fleet has identified approximately 47 motor vehicles to be replaced and/or acquired to support internal programming and new initiatives from the period of 2020 through 2022.

In the past, TRCA has acquired vehicles through separate competitive procurement processes based on required specifications. Staff has identified an opportunity for administrative efficiencies and cost savings through the adoption of the Province of Ontario's Vendor of Record (VOR) arrangement. By establishing a VOR arrangement for motor vehicles, vendors are authorized to provide these goods and/or services for a defined period of time and with fixed

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pricing. Staff may contact any vendor on the list with the availability of vehicles that meets TRCA's requirements. Vendors will be 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. The VOR arrangement will be subject to annual review in order to confirm that the vendor(s) is/are providing an adequate level of service and to update any applicable insurance, certifications, or policies of the vendor(s).

RATIONALE

The Province of Ontario (Ontario) has undertaken a competitive procurement process with various vehicle manufacturers and vehicle outfitters as it relates to the needs of Ontario's fleet. This procurement process (OSS-00634452 – Vehicle Acquisitions and Up-Fitting) is open to provincially funded organizations through adoption of the Master Agreement. This VOR has a series of categories of which the two most applicable to TRCA is that of Category 1a – General Vehicle Acquisitions and Category 2a – Enforcement Vehicle Upfitting. The selected proponents for the above categories are listed as follows.

Category 1a – General Vehicle Acquisitions

- FCA Canada Inc.
- General Motors of Canada Company
- Kia Canada Inc.
- Mitsubishi Motor Sales of Canada Inc.
- Volkswagen Group Canada Inc.
- Toyota Canada Inc.
- Nissan Canada Inc.
- Ford Motor Company of Canada, Limited

Category 2a – Enforcement Vehicle Upfitting

- Darta Enterprises Inc.
- G.W. Anglin Manufacturing Inc.

Through the VOR, pricing and concessions, or discounts are applied to the cost of the vehicle as specified and provided by the client. Additionally, these concessions or discounts are differentiated on vehicle classification (model) and further by manufacturer, a process that is similar to current TRCA procurement processes. The process of identifying the requirements and specifications required for TRCA projects and programs will have minimal changes to current practice.

The VOR includes provisions for access and adoption of the VOR by a Provincially Funded Organization (PFO). Given TRCA is a PFO, TRCA will be able to leverage the concessions and or discounts received by Ontario through the VOR. It is noted through the VOR documentation that the provision of concessions or discounts to PFOs is on a voluntary basis and at the sole discretion of the participating vehicle manufacturers. Furthermore, the VOR documentation provides clear language for procurements indicating that TRCA is a PFO with access to the VOR increasing the opportunity for vendors to apply for concessions or discounts from manufacturers. This approach differs from the past where TRCA acquisitions contracts, and concessions may have only been applied if the vendors had previous knowledge of the VOR and the access for PFOs.

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Relationship to Building the Living City, the TRCA 2013-2022 Strategic Plan

This report supports the following strategic priority set forth in the TRCA 2013-2022 Strategic Plan:

Strategy 7 – Build partnerships and new business models

FINANCIAL DETAILS

Based upon a review of TRCA motor vehicle assets which have reached and or will reach full lifecycle during the contract period, the anticipated costs for the requested goods and/or services are approximately \$2.3M excluding HST with an estimated implication of \$0.67M and \$0.6M in the subsequent contract extension terms, if and when, approved by the Province. It is anticipated the adoption of the Province's VOR could have cost savings implications of approximately \$0.2M over the balance of the contract term.

An increase or decrease in demand of motor vehicles from TRCA projects and programs will have an impact on the value of this contract resultant of any change in motor vehicles required during the term of the VOR. All vendors on the VOR list understand both the potential cost and resource implications associated with the potential changes in demand for motor vehicles. The goods and/or services will be provided on an "as required" basis with no minimum guaranteed.

Funds for the contract are identified in the TRCA Vehicle and Equipment Acquisition Fund for the respective budget years.

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