
REPORT TITLE: Preventative Maintenance and As-Required Repairs for Equipment Located at the Peel Curing Facility in Caledon

FROM: Andrew Farr, Interim Commissioner of Public Works

RECOMMENDATION

That the contract (Document 2019-708N) for preventative maintenance and as-required repairs for equipment located at the Peel Curing Facility in Caledon be awarded to Toromont Industries Ltd., in the estimated amount of \$164,852.50 (excluding applicable taxes) for one 12-month period, under operating Cost Centre WW70340, in accordance with Procurement By-law 30-2018, as amended;

And further, that approval be granted to exercise four optional 12-month periods, subject to satisfactory performance, price and approved budget and escalated in accordance with the terms of the contract;

And further, that approval be granted to increase the subject contract for additional requirements to repair and maintain the equipment, for this and subsequent contract periods based on the contractual arrangements including optional period awards, up to the limit of the approved budget.

REPORT HIGHLIGHTS

- In 2008, the Region of Peel purchased the Gore composting system from W.L. Gore.
- The Region of Peel requires the services of a vendor for the ongoing preventative maintenance and repair of the equipment, located and operating at the Peel Curing Facility in Caledon.
- Per the original purchase, Toromont Industries Ltd. remains the only authorized vendor for maintenance and repair services for the equipment associated with this process.
- The existing contract with Toromont Industries Ltd. expired on May 31, 2020.
- Based on satisfactory service to date and pricing comparable to the previous agreement, staff recommend continuing to work with Toromont.

DISCUSSION

1. Background

In 2008 the Region of Peel purchased a proprietary composting system from W.L. Gore. This system, located at the Peel Curing Facility, contains two specialized pieces of equipment, namely the compost turner and tarp winder. This equipment is required for the processing of compost and are essential to the effective daily operations of the facility.

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W.L. Gore is based in Europe and has authorized Toromont Industries Ltd. (“Toromont”) to sell and maintain Gore equipment in North America. Toromont has provided quality preventative maintenance and repair services for this equipment since it was originally procured in 2008.

The existing contract (Document 2014-218N) for preventative maintenance and as-required repairs services for this equipment expired on May 31, 2020.

2. Procurement Process

The recommendation to award to Toromont is pursuant to Section 5.2.1 of the Procurement By-law 30-2018, as amended, which identifies a direct negotiation method of purchasing by reason of scarcity of supply in the market or supplier has exclusive rights or compatibility with existing product.

With the specialized nature of this equipment and the fact that Toromont is the only source for parts, it is not reasonable to contract these services with another vendor. However, reliance on Toromont will reduce later in 2020.

With the compost turner approaching the end of its useful life, a contract was awarded to Ecoverse Industries for the purchase of a new turner. The new turner is expected to be delivered and in operation by October 2020 and will include a preventative maintenance and repair agreement with Ecoverse to service the new piece of equipment going forward.

The annual cost and terms of the agreement for the maintenance services are consistent with the previous contract with Toromont.

RISK CONSIDERATIONS

Failure to properly maintain this equipment increases the likelihood of costly repairs and premature breakdowns which could lead to operational impacts and limit the facility’s ability to produce a quality compost product. Extended periods of equipment malfunction or inoperability can also have potential detrimental impacts to the facility and surrounding area, namely compost that does not meet the Region’s standards or increased odour in the community.

Given Toromont Industries Ltd.’s long-standing history of successfully maintaining this equipment they are best able to ensure the process continues to operate as designed.

FINANCIAL IMPLICATIONS

There are sufficient funds available in the approved operating budget for Cost Centre WW70340 to carry out the report’s direction.

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For further information regarding this report, please contact Norman Lee, Director Waste Management, Ext. 4703, norman.lee@peelregion.ca.

Reviewed and/or approved in workflow by:

Department Commissioner, Division Director, Financial Support Unit and Procurement.

Final approval is by the Chief Administrative Officer.

A handwritten signature in black ink, reading "Nancy Polsinelli". The signature is written in a cursive style with a large initial "N" and "P".

N. Polsinelli, Interim Chief Administrative Officer