

# Staff Report



Financial Services Department

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**REPORT TO:** Committee of the Whole

**DATE OF MEETING:** 2021-12-13

**SUBMITTED BY:** Ryan Scott, Manager, Procurement 519-741-2200 ext. 7214

**PREPARED BY:** Jenny Ung, Associate Procurement Specialist, 519-741-2200 ext. 7216

**WARD(S) INVOLVED:** N/A

**DATE OF REPORT:** 2021-12-03

**REPORT NO.:** FIN-2021-66

**SUBJECT:** Non-Standard Procurement - Two (2) Trailer Mounted Drum Type Brush Chippers

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## RECOMMENDATION:

That Douglas Powertech Enterprises Inc., Toronto, Ontario, be the sole source provider for Two (2) Trailer Mounted Drum Type Brush Chippers, at their quoted price of \$249,200.00, plus H.S.T. of \$32,396.09, for a total of \$281,596.79.

## REPORT HIGHLIGHTS:

- The purpose of this report is to obtain approval to proceed with an award as per Purchasing By-law 2017-106;
- This report supports the delivery of core services.

## BACKGROUND:

A Standard Procurement (competitive public process) was conducted; however it did not result in the receipt of any Bids. This is a permitted circumstance to recommend the use of Non-Standard Procurement under clause 170.8.2 of the Purchasing By-law 2017-106.

Units 13618 and 17653 in INS – Parks and Cemeteries have been approved for replacement through the Annual Equipment Review. These new units will be used for forestry maintenance activities. The current units are five (5) and eight (8) years old with an anticipated life cycle of eleven (11) years. Although they have not met the anticipated lifecycle, it was agreed that they should be replaced early due to their unreliability, extreme downtime, and the projected costs to maintain has exceeded their current value.

## REPORT:

As per clause 170.8.2 of the Purchasing By-law 2017-106, it states, "The use of a Non-Standard Procurement process is only permitted under the following circumstances:

- a. where a Standard Procurement process was conducted in accordance with this By-law and applicable procedures and has not resulted in the receipt of any Bids;"

As per clause 170.8.3 of the Purchasing By-law 2017-106, it states, "All non-standard Procurement processes must be approved and conducted in accordance with this By-law including the table set out in this section and all applicable procedures."

<b>Requirement</b>	<b>Procurement Value Excluding Taxes</b>	<b>Procurement Process</b>	<b>Approval Authority</b>
Goods, Services, Construction, Consulting Services	Up to \$99,999	Non-Competitive or Limited Competition	Director of Supply Services
Goods, Services, Construction, Consulting Services	Greater than \$100,000	Non-Competitive or Limited Competition	Council

The quotation was reviewed by M. Lynch, Manager of Fleet Planning, who concurs with the above recommendation.

## STRATEGIC PLAN ALIGNMENT:

This report supports the delivery of core services.

## FINANCIAL IMPLICATIONS:

The net cost for this Quotation (A), is fair and reasonable for a purchase of this scope, but the upset limit is beyond the allowance provided within the budget (B). Funding for this equipment is included within the approved capital budget. The estimated deficit (D) will be funded from previous surpluses that have been closed out to the Equipment Reserve Fund.

**Two (2) Trailer Mounted Drum Type Brush Chippers**

**Estimated Cost for this Procurement**

Quoted costs including optional equipment and HST	\$ 281,596.79	
less: HST rebate on quote	<u>\$ (28,010.16)</u>	
Net Cost Being Awarded	\$ 253,586.63	A
Projected Costs for Additional Outfitting	<u>-</u>	
Total Estimated Cost for this Quote	<u><u>\$ 253,586.63</u></u>	C

**Budget for this Quotation**

Replacing Unit 13618 & 17653	<u>\$ 230,000.00</u>	B
Estimated Surplus/(Deficit) for this Quotation (B - C)	\$ (23,586.63)	D

**COMMUNITY ENGAGEMENT:**

INFORM – This report has been posted to the City’s website with the agenda in advance of the council / committee meeting.

**PREVIOUS REPORTS/AUTHORITIES:**

There are no previous reports/authorities related to this matter.

**APPROVED BY:** Jonathan Lautenbach, Chief Financial Officer, Financial Services Department