

Council Report

Report Number: PUR2025-005
Meeting Date: July 22, 2025
Title: Request for Extension of Specified Fleet Procurement Contracts
Description:
Author and Title: Marielle van Engelen, Buyer
Rodney Porter, Manager of Fleet and Transit Services

Recommendation(s):

That Report PUR2025-055, **Request for Extension of Specific Fleet Procurement Contracts**, be received;

That the extension of the Winslow-Gerolamy Motors Limited contract for the Supply and Delivery of Several Single and Tandem Axle Plow Trucks for two (2) additional years be approved;

That the extension of the Blue Mountain Chrysler Ltd. contract for the Supply and Delivery of Medium Duty Pick Up Trucks for two (2) additional years be approved;

That the extension of the Blue Mountain Chrysler Ltd. contract for the Supply of Various Pickup Trucks and Sport Utility Vehicles for two (2) additional years be approved; and

That the Acting Director of Public Works be authorized to execute amending agreements for the extensions for each of the contracts.

Department Head: _____

Financial/Legal/HR/Other: _____

Chief Administrative Officer: _____

Background:

This Council Report's objective is to request Council's approval to extend the term of the specified contracts for an additional two (2) year term.

Request for Quotation (RFQ) 2021-041-OQ for the Supply and Delivery of Supply and Delivery of Several Single and Tandem Axle Plow Trucks contract was awarded to Winslow-Gerolamy Motors Limited for a four year period including renewals and will expire December 31, 2025. The trucks provided under this contract were critical in supporting the municipality's winter maintenance operations, including snow plowing and ice control. Ensuring an adequate fleet of reliable plow trucks is essential for maintaining public safety and keeping roadways accessible during winter weather events. Extending the term of this contract will ensure uninterrupted delivery of plow trucks necessary for ongoing winter maintenance operations. Due to supply chain issues at the beginning of this contract in 2021, the number of build slots/dates available to the vendor were limited. During this contract, the vendor has been able to secure build dates/slots for the City's requirement. The estimated time to build a vehicle is twenty-four (24) to thirty-six (36) months. Winslow was the only vendor to submit a bid for this procurement as no other vendor was able to acquire enough build dates/slots to accommodate the City's requirement in the time required.

Blue Mountain Chrysler Ltd. was awarded the following contracts:

1. Request for Quotation 2021-23-CQ for the Supply and Delivery of Medium Duty Pick Up Trucks for a total of five (5) years including all renewals and is set to expire December 31, 2025. The estimated build time is twelve (12) to eighteen months (18).
2. Request for Quotation 2022-26-CQ for the Supply of Various Pickup Trucks and Sport Utility Vehicles for a total of three (3) years including all renewals and is set to expire December 15, 2025.

As per the Procurement Policy, Fleet Services has standardized these vehicles through a competitive process that follows legislation. Extending both contracts with Blue Mountain and with Winslow will mitigate potential supply chain delays or disruptions that could impact delivery schedules. Both Vendors are currently able to acquire build slots/dates for the City for annual life cycle replacement. Both vendors have demonstrated reliable service, timely delivery and quality products throughout the term of their contracts. The existing contracts include discounts/concessions in part due to the relationship that the City and the vendor's have established during these contracts.

As per the Procurement Management Directive if all renewals have been exhausted, the requesting party may provide the Treasurer a written explanation of why the renewal is in the best interest of the City. The two shall agree and the contract may be extended

through a single source to a maximum of two (2) years. The table of Authority in the Management Directive indicates that a single source over \$121,000 must be approved by Council.

Rationale:

Business Case for Contract Extension:

Given the current procurement environment, extending these contracts offers strategic and financial advantages. Key risks of re-tendering include:

- **Cost Escalation Risks:**
 - **Price Volatility:** Since the original awards, prices for commercial and specialized vehicles have increased an estimated 20–40% or more.
 - **Reduced Competition:** Releasing new tenders during a constrained supply period could yield fewer compliant bids.
 - **Inflationary Pressures:** Rising costs for key inputs (steel, ECMs, chassis components, upfitting) are being passed on by vendors.
 - **Currency Fluctuations:** Contracts involving USD-based imports are vulnerable to exchange rate volatility.
 - **Limited Market Participation:**
 - Pickup and Medium Duty Trucks: Only two dealerships—Blue Mountain Chrysler and Downtown Ford—are currently participating in major fleet procurements. The City already holds contracts with Blue Mountain Chrysler.
 - Plow Trucks: Winslow was the sole bidder for the 2021 RFQ and remains the only known supplier able to meet the City's volume and timing needs.
- **Supply Chain and Lead Time Challenges:**
 - **Extended Lead Times:** Plow trucks and other heavy-duty units require 24–36 months to build. Delays in procurement could jeopardize winter readiness.
 - **Component Shortages:** Ongoing scarcity of semiconductors, DEF systems, and plow-specific equipment continues to affect production and pricing.
 - **Loss of Allocation:** Build slots secured by vendors under existing agreements may be forfeited if the contracts are re-tendered.
 - **Regulatory Changes:** Delays may expose the City to new model year requirements (e.g., emissions, drivetrain), resulting in higher costs or compliance issues.

Staff recommend that Council approve the extension of the contract, with Winslow-Gerolamy Motors Limited, for the Supply and Delivery of Several Single and Tandem Axle Plow Trucks for two (2) additional years.

Staff recommend that Council approve the extension of the contract, with Blue Mountain Chrysler Ltd., for the Supply and Delivery of Medium Duty Pick Up Trucks for two (2) additional years.

Staff recommend that Council approve the extension of the contract, with Blue Mountain Chrysler Ltd., for the Supply of Various Pickup Trucks and Sport Utility Vehicles for two (2) additional years,

Other Alternatives Considered:

No other alternative is being recommended as issuing a new procurement document could potentially result in higher costs as another vendor may not be able to obtain the discounts or the number of build slots/dates to meet the City's annual life cycle replacement schedule.

Alignment to Strategic Priorities

- A Healthy Environment
Recommendations in this report will assist the residents in promoting activity health, education and employment.
- An Excellent Quality of Life
Recommendations in this report will help support efficient delivery of road operations and assist the general well-being of residents.
- A Vibrant and Growing Economy
Recommendations in this report will support effective road operations and service delivery to support the City.
- Good Government
Ensuring that municipal assets are well maintained and managed.

Financial Impacts:

The contract extensions will be funded through the approved annual capital budgets for these specified vehicles.

Consultations:

Supervisor of Procurement

Treasury

Acting Director of Public Works

Director of Corporate Services

Department Head email: ovigelius@kawarthalakes.ca

Department Head: Oliver Vigelius, Acting Director of Public Works

Department File: 2021-41-CQ