
Street Sweeper Broom Materials – Blanket Purchase Order

Recommendation

That the Standing Policy Committee on Transportation recommend to City Council:

1. That the Administration prepare a blanket purchase order with Fer-Marc Equipment Ltd. for the supply of street sweeper broom materials for a one-year term, with two additional optional one-year terms, for a total estimated cost of \$300,000 (including taxes); and
2. That Purchasing Services issue the appropriate purchase order.

Topic and Purpose

This report is to obtain City Council approval for a blanket purchase order with Fer-Marc Equipment Ltd. (Fer-Marc) for the supply of street sweeper broom materials, and to approve two optional one-year renewals of the blanket order based on mutually agreed pricing and continued operational need.

Report Highlights

1. Fer-Marc Equipment, Regina, Saskatchewan is the only provider of the required street sweeper broom materials within Saskatchewan, and hold an exclusivity agreement with United Rotary Brush Corporation, Saskatoon, Saskatchewan.
2. Approval for optional year terms will reduce the administrative cost associated with purchasing these consumable materials that are required annually.

Strategic Goals

This report supports the Strategic Goal of Continuous Improvement by increasing efficiency in the way the City manages the street sweeping program.

This report also supports the Strategic Goal of Asset and Financial Sustainability through the procurement of consumable materials in a timely and cost effective manner.

Background

In the past, street sweeper broom materials have been sole sourced on an annual basis through Fer-Marc Equipment. They are the only provider of the required equipment within Saskatchewan. Single-year sole source agreements have higher administrative and processing costs than multi-year agreements.

Report

Fer-Marc's exclusivity agreement with United Rotary Brush Corporation allows the City to receive the required materials in a timely and convenient manner.

United Rotary Brush Corporation is the only vendor that meets the City's specifications for the street sweeper broom materials required to meet the Street Sweeping Level of Service. Factors including, but not limited to, the thickness of the wires, hardness of the

materials, and longevity of the brushes were considered in creating the specifications for the brooms. Approval of the blanket purchase order for a one-year initial term, and two additional optional one-year terms, will reduce the administrative overhead costs of the program. It provides efficiency and allows for fast procurement in the event of an urgent need for the materials.

Options to the Recommendation

City Council may reject the blanket purchase order in its entirety. This option would impact current operational requirements for the 2018 Street Sweeping season.

City Council may reject the blanket purchase order for the two additional optional one-year terms and direct the Administration to continue with an annual sole source procurement for 2018. This option would not impact current operational requirements.

Policy

Awarding a blanket purchase order to Fer-Marc is consistent with Section 4.3(b) of Policy C02-030 – Purchase of Goods, Services and Work as they are the only provider of the required street sweeper broom materials within Saskatchewan.

Financial Implications

An estimated cost breakdown for the street sweeper broom materials to be included in the blanket purchase order over the three-year term is provided below. Funding for the first year's purchases is available in the 2018 Operating Budget, and the additional year's purchases will be subject to budget approval. The estimated cost takes into account inventory growth, estimated increase in unit prices, adequate contingency for unplanned events until the end of 2020, and applicable taxes.

The estimated cost for 2018 is the remaining required cost for this year, as a portion of the 2018 materials have already been purchased.

The details of the estimated costs for the street sweeper broom materials for the three-year term are as follows:

Remaining Costs for 2018	\$ 30,000.00
Costs for 2019	125,000.00
Costs for 2020	<u>145,000.00</u>
Total Three Year Cost	<u>\$300,000.00</u>

Other Considerations/Implications

There are no public and/or stakeholder involvement, communication, environmental, privacy, or CPTED implications or considerations.

Due Date for Follow-up and/or Project Completion

There is no follow-up required.

Public Notice

Public Notice pursuant to Section 3 of Policy No. C01-021, Public Notice Policy, is not required.

Report Approval

Written by: Shukwia Tajik, Engineering Intern, Municipal Engineering Services
Reviewed by: Brandon Harris, Director of Roadways & Operations
Approved by: Angela Gardiner, Acting General Manager, Transportation & Utilities Department

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