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# Earthworks Equipment Saskatoon – Blanket Purchase Order

## Recommendation

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

1. That the Administration prepare a blanket purchase order with Earthworks Equipment Saskatoon for the repair of heavy equipment and repair parts exclusive to Bobcat and Kubota brand equipment, for up to the next five years, for an estimated cost of \$30,000 (plus applicable taxes) per year; and
2. That Purchasing Services, Asset and Financial Management Department, issue the appropriate purchase order.

## Topic and Purpose

The purpose of this report is to obtain City Council approval of a blanket purchase order for Earthworks Equipment Saskatoon (Earthworks Equipment) for major repairs and supply of repair parts for Bobcat and Kubota heavy equipment.

## Report Highlights

1. Earthworks Equipment is the only authorized dealer in Saskatoon that provides the required major repairs and parts for Bobcat and Kubota heavy equipment.
2. The Administration recommends the negotiation of a blanket purchase order with Earthworks Equipment in order to obtain administrative efficiencies and improve procurement and maintenance efficiencies.

## Strategic Goal

This report supports the long-term strategy of increasing productivity by being more efficient in the way the City of Saskatoon (City) does business under the Strategic Goal of Continuous Improvement.

## Background

There are currently 44 pieces of Bobcat and/or Kubota heavy equipment in the City's fleet. The majority of repairs and parts need to be obtained as soon as possible to ensure minimal disruption to civic operations. As identified in the Fleet Services' Customer Service Review (December 2015), Fleet Services is required to have a minimum number of equipment available at a moment's notice.

## Report

### Only Authorized Dealer

Earthworks Saskatoon is the only authorized dealer in Saskatoon that provides major repairs and supply parts for Bobcat and Kubota equipment. This heavy equipment is used for civic operations such as snow removal, street repairs, water and sewer repairs and other emergencies.

### Blanket Purchase Order

The Administration is recommending that the City negotiate with Earthworks Equipment to obtain a blanket purchase order for the major repairs and supply of repair parts for

Bobcat and Kubota equipment. A blanket purchase order will allow the City to have additional bargaining power, reduce administrative costs, and be able to take advantage of any available bulk purchase discounts.

**Options to the Recommendation**

City Council can choose not to proceed with entering into a blanket purchase order with Earthworks Equipment and continue with the current process. The Administration does not recommend this option due to the urgent nature of equipment repairs, which are often required for emergency repairs to infrastructure such as water mains.

**Policy Implications**

Awarding a blanket purchase order to Earthworks Equipment is consistent with Section 5.6 (a) and (b) of Administrative Policy No. A02-027, Corporate Purchasing Procedure, regarding vendor’s proprietary rights and compatibility with existing equipment and services. Earthworks Saskatoon is the only authorized supplier and service centre of Bobcat and Kubota equipment in the Saskatoon area.

**Financial Implications**

Costs for repairs to this equipment are funded from Fleet Services’ approved operating budget.

**Other Considerations/Implications**

There are no environmental, privacy, or CPTED implications or considerations. Neither a communication plan or public and/or stakeholder involvement is required.

**Due Date for Follow-up and/or Project Completion**

If approved, a blanket purchase order will be in place by June 30, 2018, with an option to extend up to four additional years, provided the supplier provides acceptable pricing and maintains status as the sole supplier.

**Public Notice**

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

**Report Approval**

Written by: Jason Kennon, Fleet Services Maintenance Manager  
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