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The Regional Municipality of Durham Report

To: Finance and Administration Committee
From: Commissioner of Finance
Report: #2024-F-8
Date: April 9, 2024

Subject:

Sole Source Approval of Standing Agreements for the Purchase of Proprietary Durham Region Transit Bus Parts, Farebox and Associated Parts, and Extended System Warranty and Support for the GFI Fare Collection System

Recommendations:

That the Finance and Administration Committee recommends to Regional Council:

- A) That a three-year extension from July 1, 2024 to June 30, 2027 to the existing standing agreement with New Flyer Industries and Prevost (Nova Bus) to continue the sole source purchases of proprietary bus parts at an estimated annual cost of \$700,000 for New Flyer Industries, and \$300,000 for Prevost, to be funded from the annual Durham Region Transit Business Plans and Budget be approved;
 - B) That a three-year extension from July 1, 2024 to June 30, 2027 to the existing standing agreement with Garival to continue to sole source the purchase, repairs, required proprietary parts and equipment for fareboxes at an estimated annual cost of \$75,000, to be funded from the annual Durham Region Transit Business Plans and Budget be approved;
 - C) That a three-year extension from July 1, 2024 to June 30, 2027 to the existing standing agreement with Garival Inc. to continue to sole source for system warranty and support for the GFI system at an estimated annual cost of \$50,700, to be funded from the annual Durham Region Transit Business Plans and Budget be approved;
and
 - D) That the Commissioner of Finance be authorized to execute the necessary agreements.
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Report

1. Purpose

- 1.1 The purpose of this report is to seek approval for the extension of three sole source agreements that each exceed \$100,000. Sole source standing agreements are required with New Flyer Industries, Prevost (Nova Bus), and Garival Inc., for procurement of proprietary parts that are not available in the competitive after-market bus parts industry, are part of the Region's farebox system or are for the provision of system warranty and support for the GFI fare collection system.

2. Background

- 2.1 Since Durham Region Transit was formed in 2006, standing agreements have been created with various suppliers. New Flyer Industries and Nova Bus use exclusive authorized distributors for various proprietary parts respective to their bus models. Garival Inc. is the certified exclusive authorized distributor and parts/service provider for Durham Region Transit's farebox system. Standing agreements with these three vendors will continue to support efficient operation and maintenance of DRT buses.

3. Previous Reports and Decisions

- 3.1 Similar reports requesting sole source approval to negotiate standing agreements with New Flyer Industry Parts, Prevost and Garival were approved by Committee of the Whole ([Report #2018-COW-65](#)) on April 4, 2018, and Regional Council on April 11, 2018, and by Finance and Administration Committee ([Report #2021-F-8](#)) on May 11, 2021 and by Regional Council on May 26, 2021.

4. Financial Implications

- 4.1 Section 7 of the Region's Purchasing By-Law 16-2020 allows for sole source purchases and requires Council approval where the sole source purchase exceeds \$100,000. Appendix C, article 1.1 of By-law 16-2020 supports the sole source agreements to ensure compatibility with existing goods, or to maintain specialized goods that must be maintained by the manufacturer of those goods or its representative.
- 4.2 Continued funding for the annual expenditures under the standing agreements with New Flyer Industries (\$700,000), Prevost (\$300,000) and Garival for parts and equipment (\$75,000) and for warranty and support (\$50,700) will be provided within Durham Region Transit's annual Business Plan and Budgets.

5. Relationship to Strategic Plan

5.1 This report aligns with/addresses the following strategic goals and priorities in the Durham Region Strategic Plan:

- a. Goal 5: Service Excellence – Optimize Resources and Partnerships to Deliver Exceptional Quality Services and Value – by responsibly managing the Region’s financial assets to deliver critical infrastructure and services for current and future generations.

6. Conclusion

6.1 This report seeks approval to negotiate and award a three-year extension to each of the current standing agreements to continue to sole source with New Flyer Industries, Prevost and Garival Inc. for the purchase of proprietary bus and farebox parts and for the provision of system warranty and support for the GFI fare collection system. As required by the Region’s Purchasing By-Law 16-2020, Council approval is required for sole source agreements that exceed \$100,000.

6.2 A similar report was prepared for the April 3, 2024 Durham Region Transit Executive Committee meeting.

Respectfully submitted,

Original Signed By

Nancy Taylor, BBA, CPA, CA
Commissioner of Finance

Recommended for Presentation to Committee

Original Signed By

Elaine C. Baxter-Trahair
Chief Administrative Officer