

## Report to Civic Works Committee

**To:** Chair and Members  
Civic Works Committee

**From:** Anna Lisa Barbon, CPA, CGA  
Deputy City Manager, Finance Supports

**Subject:** SS-2023-247 Single Source Contract Snow Plow Blade Parts

**Date:** October 4, 2023

## Recommendation

That, on the recommendation of the Deputy City Manager, Finance Supports, the following actions **BE TAKEN**:

- a) Approval **BE GIVEN** to exercise the single source provisions of the Procurement of Goods and Services Policy under sections 14.4 (d) and (e) to contract with Valley Blades Ltd. 435 Philip Street, Waterloo Ontario for the supply and delivery of Snow Plow Blades, parts and accessories on City owned equipment for a one (1) year contract with an option to renew for four (4) additional years;
- b) Civic Administration **BE AUTHORIZED** to undertake all administrative acts that are necessary in connection with this contract; and,
- c) Approval hereby given **BE CONDITIONAL** upon the Corporation entering into a formal contract or having a purchase order, or contract record relating to the subject matter of this approval

## Executive Summary

Throughout the winter season, keeping our streets and sidewalks clear of snow is a priority for the City. To support snow clearing maintenance, Fleet Services must stock and supply snow plow wear components such as blades, guards, shoes, and accessories for preventive and corrective maintenance on fleet plows. In accordance with sections 14.4 (d) & (e) of the Procurement of Goods and Services Policy, Fleet Services recommends establishing a single source contract with Valley Blades Ltd, in Waterloo Ontario, due to their unique ability to fabricate components and supply repair parts that are compatible with our broad product line of snow plow blade systems.

## Linkage to the Corporate Strategic Plan

This recommendation supports the following 2023-2027 Strategic Plan areas of focus:

- Mobility and Transportation
  - Improved reliability, quality, and safety of all modes of mobility
  - Continue to provide an enhanced level of sidewalk and bus stop snow clearing.

## Analysis

### 1.0 Background Information

#### 1.1 Previous Reports Related to this Matter

There are no relevant reports available.

## 1.2 Background

Over the last thirteen years, the City of London has issued four Request for Quotation's to supply snow plow blade parts and accessories. Twice during that period, Valley Blades Ltd. was awarded the RFQ and very successfully supported our winter maintenance program.

During periods where Valley Blades did not hold the contract, new suppliers that did not specialize in plow blade manufacturing, were awarded contracts on two separate occasions. In both instances Fleet and Supply Services experienced ongoing issues with quality and numerous supply constraints, resulting in extensive contract management. In both instances with the other suppliers, Fleet Services did not award contract option years.

The experiences with two different suppliers who did not specialize or have the skill to manufacture in-house ground engaging tools or wear components, uncovered similar problems that impacted Fleet Maintenance ability to support Road operations during winter events. The following issues were documented:

- Suppliers maintained inadequate inventory levels to support spare part requests.
- Suppliers over reliance on vendors resulted in long lead times for repairs and delivery.
- Inability to source required blades and accessories for newer plow systems.
- Unable to custom fabricate blades resulting in excessive lead times or the City having to pursue alternatives sources for out-of-stock parts;

## 2.0 Discussion and Considerations

The City owns and operates a wide range of plow blade systems that are mounted onto pickup trucks, trackless machines, graders, and tandem axle dump trucks. Fleet Services supports up to eighty-five plows that are composed of four common variants: 2-way front plows, 1 & 2-way front plow & wing, and 'V' plows for trackless machines. To support winter operations, Fleet Maintenance requires a broad range of spare parts that facilitate preventive servicing and running repairs. Quickly repairing snow clearing equipment is essential in sustaining service levels for Road Operations winter maintenance program.

Valley Blades Ltd. specializes in developing and manufacturing ground engaging tools, wear parts and accessories for construction, mining, and snow removal equipment. In comparison with other contracted suppliers, Valley Blades competitive advantage is their ability to design and fabricate snow plow components at their facility. This service provides customers with a broader inventory of spare parts to select from and best in class delivery times for fabricated components. Based on the experience with awarding RFQ's to different suppliers, this is a unique service that no other regional supplier in the marketplace can provide. Over the last decade, it has been our experience that Valley Blades Ltd. is the only vendor in our area with the repair parts inventory to support the City's full product line of plow blades and accessories. With the urgency required to support running repairs, a vendor's proximity to the City leads to service level advantages including reduced inventory, better lead times for parts, and prompt emergency repairs.

### 2.1 Procurement Process

The snow plow blade parts contract has a long history of competitive procurement practices. The experience revealed the importance of suppliers needing a fabricating skillset in-house to successfully offer this service. Without having gone through this, we would not be in the position to recommend a single source contract.

Fleet and Supply Services recommend establishing a single source contract with Valley Blades Ltd. given the suppliers unique in-house fabrication services and can supply parts in support of the City's broad product line of snow plow blade systems. This recommendation is in accordance with Section 14.4 (d) and (e) of the Procurement of Goods and Services Policy:

- 14.4 d. There is a need for compatibility with goods and/or services previously acquired or the required goods and/or services will be additional to similar goods and/or services being supplied under an existing contract (i.e., contract extension or renewal);
- 14.4 e. The required goods and/or services are to be supplied by a particular supplier(s) having special knowledge, skills, expertise or experience.

As per Section 14.5 a) ii) of the Procurement of Goods and Services Policy, Committee and City Council must approve a single source award greater than \$50,000, unless otherwise permitted by the Policy.

### **3.0 Financial Impact**

The average annual expenditure over the last two years on snow plow Blades, Parts, and Accessories was \$80,209 (excluding HST). Fleet Services anticipates similar annual demand for parts given that needs fluctuate based on the severity and duration of winter operations. All parts are charged to specific fleet assets upon consumption and are funded through the approved Fleet Maintenance operating budget.

## **Conclusion**

In accordance with section 14.4 (d) & (e) and 14.5 a) ii) of the Procurement of Goods and Services Policy, Fleet Services is requesting approval to establish a single source contract with Valley Blades Ltd. for one (1) year with an option to renew for four (4) additional (1) year periods.

**Prepared by:** Drew Freeman, P.Eng.  
Senior Manager, Fleet Services

**Submitted by:** Lynda Stewart  
Director, Fleet and Facilities

**Recommended by:** Anna Lisa Barbon, CPA, CGA  
Deputy City Manager, Finance Supports

cc: Steve Mollon, Senior Manager of Procurement & Supply