

## Report to Community and Protective Services Committee

**To:** Chair and Members,  
Community and Protective Services Committee

**From:** Cheryl Smith, Deputy City Manager, Neighbourhood and  
Community-Wide Services

**Subject:** London Fire Department Single Source Request for Fire  
Apparatus (SS-2023-172)

**Date:** May 21, 2024

## Recommendation

That, on the recommendation of the Deputy City Manager, Neighbourhood and Community-Wide Services, the following actions be taken:

- a) in accordance with Section 14.4(g) of the Procurement of Goods and Services Policy, Fire Administration **BE AUTHORIZED** to negotiate a single source purchasing agreement with City View Specialty Vehicles for delivery of eleven (11) Rosenbauer Fire Apparatus including; two (2) Pumper Rescues, two (2) Tanker Pumpers, three (3) Engines, one (1) Hazardous Materials Response Vehicle, and three (3) Aerial Ladders;
- b) Fire Administration **BE AUTHORIZED** to proceed with the replacement of eleven (11) Fire Apparatus, and associated equipment, during the 2024 - 2027 Multi-Year Budget period as per the approved Fire capital budget, noting that these replacements have an estimated cost of \$24,407,900 CAD, excluding HST, plus an additional \$2,226,600 CAD, excluding HST, for equipment that will be acquired through regular suppliers and added to the replacement apparatus;
- c) approval hereby given **BE CONDITIONAL** upon The Corporation of the City of London negotiating satisfactory prices, terms, conditions, and entering into a purchasing agreement with City View Specialty Vehicles, Inc., and subject to future budget approval;
- d) that the funding for this procurement **BE APPROVED** as set out in the Source of Financing Report attached, hereto, as Appendix A, noting that the Source of Financing Report only addresses the current year capital funding that is required and that the remaining cost of these replacements will be reflected as a commitment against the 2025, 2026 and 2027 budgets included in the approved 2024 - 2027 Multi-Year Budget;
- e) the Mayor and City Clerk **BE AUTHORIZED** to execute any contract or other documents, as required, to give effect to these recommendations; and
- f) the Civic Administration **BE AUTHORIZED** to undertake all the administrative acts that are necessary in connection with the authorization set out in parts a) through d) above.

## Executive Summary

This report requests authorization from Council for Fire Administration to negotiate and enter into a purchasing agreement with City View Specialty Vehicles for the replacement of eleven (11) Fire Apparatus in accordance with London Fire Department's (LFD) Master Plan and in alignment with the 2024 - 2027 Multi-Year Budget capital plan. Delivery of these replacement fire apparatus will occur in 2024, 2026, and 2027.

## Linkage to the Corporate Strategic Plan

This London Fire Department Single Source Request for Fire Apparatus (SS-2023-172) report is aligned with the following strategic area of focus and outcome from the City of London Strategic Plan 2023-2027:

**Wellbeing and Safety:** London has safe, vibrant, and healthy neighbourhoods and communities.

- Londoners feel safe across the city, in the core, and in their neighbourhoods and communities.
  - Continue to deliver and enhance high-quality and effective fire services that make London a safe city for residents, businesses, and visitors.
- Improved emergency services response time and reporting.
  - Maintain an appropriate fleet of fire vehicles.

## Analysis

### 1.0 Background Information

#### 1.1 Previous Reports Related to this Matter:

- [London Fire Department Single Source Request for Fire Apparatus – SS-2023-172](#) (CPSC: June 13, 2023)
- [London Fire Department Emergency Tanker Repair](#) (CPSC: March 21, 2023)
- [SS-2023-037 - London Fire Department Single Source Request for Engine and Aerials](#) (CPSC: February 22, 2023)
- [Fire Master Plan Action Plan](#) (CPSC: June 21, 2022)
- [Climate Emergency Action Plan](#) (April 2022)
- [London Fire Department Emergency Apparatus Procurement](#) (CPSC: August 31, 2021)
- [London Fire Department Single Source Apparatus Procurement](#) (CPSC: August 31, 2021)
- [London Fire Department Emergency Repairs](#) (CPSC: May 11, 2021)

#### 1.2 Context

The Council approved London Fire Department Fire Master Plan Action Plan contains a lifecycle for frontline large vehicles of, “12+3-year [12 years frontline, 3 years spare = 15 years] replacement schedule.” This lifecycle plan is incorporated within the 2024 - 2027 Multi-Year Budget and the Corporate Asset Management Plan. In order to secure timelines in the build process a purchase order for all apparatus noted is required along with a downpayment of 10% of the purchase price with the remaining amount paid on delivery.

The Frontline Emergency Vehicles scheduled for replacement in 2024 includes two (2) Aerial Ladders and one (1) Hazardous Materials Response Vehicle with Pod (the Pod is brought forward in a separate report). The expected delivery of these three vehicles is Q2-2026.

The Frontline Emergency Vehicles scheduled for replacement in 2025 includes one (1) Engine and two (2) Pumper/Rescues. The Engine will be delivered in Q3-2024 in order to replace a Quint that is out of service because of significant mechanical issues. The Pumper/Rescues have an expected delivery of Q1-2026.

The Frontline Emergency Vehicles scheduled for replacement in 2026 includes two (2) Engines and one (1) Tanker/Pumper. These vehicles have an expected delivery of Q3-2026.

The Frontline Emergency Vehicles scheduled for replacement in 2027 include one (1) Aerial and one (1) Tanker/Pumper. These vehicles have an expected delivery of Q3-2027.

The purchase order will be able to lock in the purchase prices for the vehicles of 2024, 2025 and 2026 being ordered now and delivered in 2026. The vehicles for 2027 may have a 6% price increase which will be locked-in in 2025 for delivery in 2027. In addition, Cummins Inc. has advised that they are discontinuing the model of engine used by many fire apparatus

currently in service and that a new model is being launched in 2025. This change affects two Engines that will be ordered increasing the price by \$75,000 each. This model change has forced City View Specialty Vehicles/Rosenbauer to incorporate this increased cost into the pricing for the selected vehicles requiring this engine.

The timeliness of these orders is crucial as Rosenbauer has advised that the build time is currently 18-24 months. Once delivery is made, specialist training for two weeks that includes mechanical, maintenance, and operations training will be locally delivered prior to placing vehicles into frontline service.

With the increased costs per year and the 18-24 month build time the vehicles scheduled for replacement for the four years should be ordered now. By ordering now, lower costs could be secured for 2024, 2025, and 2026 along with delivery dates that are on target with the replacement schedule.

With a focus on the [City of London Climate Emergency Action Plan](#), and as the City of London moves operations to become more environmentally viable to better align with the [Canadian Environmental Protection Act, 1999 \(CEPA\)](#), the LFD included this strategy in the proposal of the new apparatus. The new vehicles will be hybrid in nature, being equipped with Idle Reduction Technology.

## **2.0 Discussion and Considerations**

### **2.1 Procurement Process**

Utilizing the expertise of the City of London's Procurement and Supply Services, the LFD was able to access the Canoe Procurement Group of Canada program to connect with Rosenbauer/City View Specialty Vehicles. The Canoe Procurement Group is a Group Procurement Organization (GPO) entity that leverages the purchasing power of its membership to obtain discounted pricing that may not be available to a single organization on its own. The City of London is a member of the Canoe Procurement Group. All offerings through the Canoe Procurement Group have undergone a formal competitive bid process on behalf of Ontario's municipalities, ensuring full compliance with the Procurement of Goods and Services by-law and trade agreements. The City issued a public notification of its intent to use various GPOs on January 30, 2023. Further, Council provided direction to negotiate with City View Specialty Vehicles, for pricing for a single source contract for one (1) year (2023) with four (4) option years (2024 - 2027) for the provision of Fire Apparatus to the London Fire Department under SS-2023-172.

Standardization of fire apparatus and equipment across the LFD fleet of frontline vehicles is another critical aspect that had to be considered in this selection. The LFD's team of Emergency Vehicle Technicians maintains vehicles more easily if components of these new vehicles remain consistent. The supplier of these new vehicles meets this need of consistency as well as provides 24/7 response to mission critical parts and service needs.

The selected vendor is also reviewing build time processes which affect their ability to produce the needed frontline fire apparatus within a reasonable timeframe. The vendor, like most, is affected by the critical raw material shortages across the world. To combat the increased delays in the manufacturing process, they are researching and instituting innovative ways to efficiently reduce build times. Reducing the time from order to delivery is critical so that the LFD can continue to respond to emergencies, thereby keeping Londoners safe.

### Sections 14.4(g) of the Procurement of Goods & Services Policy

#### 14.4 Single Source

Single Source means that there is more than one source of supply in the open market, but only one source is recommended due to predetermined and approved specifications. The procurement may be conducted using a Single Source process if the goods and/or services are available from more than one source, but there are valid and sufficient reasons for selecting one supplier in particular, as follows:

g. It is advantageous to the City to acquire the goods or services from a supplier pursuant to the procurement process conducted by another public body or a Group Procurement Organization (GPO).

**2.2 Fire Apparatus Procurement**

**2.2.1 Scheduled Replacements and Expected Delivery**

The table below outlines the Fire apparatus replacement schedule and expected delivery dates.

Unit	Description	Scheduled Replacement	Expected Delivery
1	Aerial Ladder	2024	Q2 2026
2	Aerial Ladder	2024	Q2 2026
3	Hazardous Materials Response Vehicle	2024	Q2 2026
4	Pumper/Rescue	2025	Q1 2026
5	Pumper/Rescue	2025	Q1 2026
6	Stock Engine	2025	Q3 2024*
7	Engine	2026	Q3 2026
8	Engine	2026	Q3 2026
9	Tanker Pumper	2026	Q3 2026
10	Tanker Pumper	2027	Q3 2027
11	Aerial Ladder	2027	Q3 2027

\* This Engine will be delivered in Q3-2024 in order to replace a Quint that is out of service because of significant mechanical issues.

**2.2.2 2024 Procurement Requirements**

In the current budget year three replacements are scheduled; these units will not be available for delivery until Q2-2026.

Therefore, the primary financial commitment required in 2024 is the 10% deposit required by the vendor, and the cost of one (1) Engine unit that can be delivered by Q3-2024. The following table outlines the required budget in 2024.

Unit	Description	Apparatus Cost A	Apparatus Deposit B	Equipment Cost C	Total (A-B+C)
	10% Deposit on All Units	-	-	-	\$2,440,790
6	Stock Engine	\$1,475,000	\$147,500	\$242,800	\$1,570,300
	Non-Refundable HST	-	-	-	\$70,595
<b>TOTAL</b>					<b>\$4,081,685</b>

This funding amount is available in the current 2024 Fire capital budget in capital project FS115224.

**2.2.3 2025, 2026, and 2027 Procurement Requirements**

All the remaining units, ten (10), in this procurement will be delivered in either 2026 or 2027, per the table in section 2.2.1 above. The following table outlines the required budget for those units.

Unit	Description	Apparatus Cost A	Less Apparatus Deposit B	Equipment Cost C	Total (A-B+C)
1	Aerial Ladder	\$2,775,000	\$277,500	\$159,000	\$2,656,500
2	Aerial Ladder	\$2,775,000	\$277,500	\$159,000	\$2,656,500
3	Hazardous Materials Response Vehicle*	\$1,650,000	\$165,000	\$50,000	\$1,535,000
4	Pumper/Rescue	\$2,030,000	\$203,000	\$242,800	\$2,069,800
5	Pumper/Rescue	\$2,030,000	\$203,000	\$242,800	\$2,069,800
7	Engine	\$2,050,000	\$205,000	\$242,800	\$2,087,800
8	Engine	\$2,050,000	\$205,000	\$242,800	\$2,087,800
9	Tanker Pumper	\$2,315,700	\$231,570	\$242,800	\$2,326,930
10	Tanker Pumper	\$2,315,700	\$231,570	\$242,800	\$2,326,930
11	Aerial Ladder	\$2,941,500	\$294,150	\$159,000	\$2,806,350
	Non-Refundable HST	-	-	-	\$398,172
<b>TOTAL</b>					<b>\$23,021,582</b>

\* This vehicle is a multi-lift truck that will work with a pod system (container that sits atop the vehicle) that is not included in this procurement. Via a separate report on the May 21, 2024, committee agenda, Fire Administration is also recommending the procurement approval of a Hazardous Materials Pod. Pods are supplied by a different vendor. An example of this vehicle and a pod system is pictured below.



The total cost for all eleven (11) vehicles over the four (4) year budget period will be approximately \$27,103,267 CAD (including HST, equipment). The available budget in FS1152 over the same four (4) year period is \$27,480,400. The following table outlines the expected timing of the budget in FS1152 and the expenditures for these apparatus replacements:

	2024	2025	2026	2027	Total
<b>Budget FS1152</b>	\$8,404,000	\$6,769,800	\$6,779,700	\$5,526,900	\$27,480,400
<b>Forecasted Expenditures Timing</b>	(\$4,081,685)	-	(\$17,797,956)	(\$5,223,626)	(\$27,103,267)
<b>Cumulative Funding Surplus / (Deficit)</b>	\$4,322,315	\$11,092,115	\$73,859	\$377,133	

Fire Administration will monitor the potential risks due to exchange rate fluctuations, industry/economic developments, etc., and include any required budget adjustments in the appropriate Annual Budget Update.

## 2.3 Next Steps

In accordance with the Occupational Health and Safety Act, the LFD Apparatus Division will be trained in the maintenance of the new apparatus by the manufacturing specialists. In addition, the LFD Suppression Division will be trained for everyday maintenance and specialized operations by trained personnel prior to placing the vehicles into frontline service.

The Fire Master Plan Action Plan provides direction for the gradual replacement of the aging fleet aligning with the Corporate Strategic Plan for 2023 – 2027, the Multi-Year Budget of 2024 – 2027, and the Corporate Asset Management Plan. The fleet replacement plan has laid out actions for replacement years and estimated costs of emergency and non-emergency vehicles in the LFD's fleet. This provides for an overall vision, direction, and guidance for Council and Fire Administration to make decisions about service improvements and enhancements through fire hall locations, fleet configuration, and any other elements that affect the delivery of fire services to match the growing needs of the community.

The LFD, in collaboration with Procurement and Supply Services, continues to explore group buying opportunities to reduce costs, streamline the purchasing process, allow for standardization of vehicles and equipment, and ensure that the LFD's future fleet of fire vehicles will be of high quality and meet requirements.

## 3.0 Financial Impact/Considerations

The funds for these apparatus and equipment replacements are available in the 2024 - 2027 Multi-Year Budget Fire capital plan, after approval of business case #P-2.

The Source of Financing Report attached as Appendix A addresses the current year capital funding that is required. This includes the 10% deposit required by the vendor for all eleven (11) units in the procurement, and the cost of the one (1) Engine unit that will be delivered in 2024, plus the non-recoverable HST.

Delivery of the remaining units, ten (10), will not occur until 2026 and 2027. Upon delivery the outstanding balance on each unit will be required to be paid. The Fire capital plan included in the 2024 - 2027 Multi-Year Budget includes funding for these units in the year it will be needed. These future budget amounts in the Fire capital project will be reconfirmed through the Annual Budget Update process. Fire Administration will monitor the potential risks, including exchange rate fluctuations, industry/economic developments, etc., and include any required budget adjustments in the appropriate Annual Budget Update, if necessary.

As noted earlier in this report, the timeliness of these purchases is important because of rapid cost increases, long lead times, and the need to ensure critical services are maintained. Entering into this agreement for future delivery of replacement apparatus with City View Specialty Vehicles will help alleviate potential operational risks for Fire Administration.

## Conclusion

Administration is recommending through the single source (SS-2023-172) procurement of Fire Apparatus as per Section 14.4(g) of the Procurement of Goods and Services Policy in accordance with the Fire Master Plan to replace an aging fleet, reduce order lead time, reduce maintenance costs, and avoid further inflated costs as the result of the City conducting a stand-alone competitive bidding process.

**Prepared by:** Gary Mosburger, Platoon Chief Manager  
Richard Hayes, Deputy Fire Chief - Operations

**Submitted by:** Lori Hamer, Fire Chief

**Recommended by:** Cheryl Smith, Deputy City Manager, Neighbourhood and Community-Wide Services

c: Jason Davies, Manager III, Financial Planning and Policy  
Steve Mollon, Manager, Purchasing and Supply, Finance Supports  
Christina McCreery, Solicitor, Legal Services  
Jason Wills, Manager III, Risk Management, Legal Services

## Appendix A: Source of Financing Report

## Appendix "A"

#24099

May 21, 2024  
(Award Contract)

Chair and Members  
Community and Protective Services Committee

RE: SS-2023-172 Request For Fire Apparatus  
London Fire Department  
(Subledger FLT24001-FLT24011)  
Capital Project FS115224 - Emergency Fire Vehicles  
City View Specialty Vehicles, Inc. - \$26,634,500.00 (excluding HST)

---

### Finance Supports Report on the Sources of Financing:

Finance Supports confirms that the cost of this project can be accommodated within the financing available for it in the Capital Budget and that, subject to the approval of the recommendation of the Deputy City Manager, Neighbourhood and Community-Wide Services, the detailed source of financing is:

	Approved Budget	This Submission (Note 1)	Balance for Future Work
<b>Estimated Expenditures</b>			
Vehicles and Equipment	8,404,000	4,081,685	4,322,315
<b>Total Expenditures</b>	<b>\$8,404,000</b>	<b>\$4,081,685</b>	<b>\$4,322,315</b>
<b>Sources of Financing</b>			
Drawdown from Fire Facilities, Vehicle and Equipment Renewal Reserve Fund	8,404,000	4,081,685	4,322,315
<b>Total Financing</b>	<b>\$8,404,000</b>	<b>\$4,081,685</b>	<b>\$4,322,315</b>

### Financial Note:

Contract Price	\$4,011,090
Add: HST @13%	521,442
Total Contract Price Including Taxes	4,532,532
Less: HST Rebate	-450,847
Net Contract Price	\$4,081,685

**Note 1:** The amount included in this submission reflects the 2024 expenditure, which includes a 10% deposit on all vehicles and the cost of one engine unit that can be delivered by Q3 2024. The remaining cost of the replacements will be reflected as a commitment against the remaining 2024 budget and the 2025, 2026 and 2027 budgets included in the approved 2024-2027 Multi-Year Budget.

---

Jason Davies

Manager of Financial Planning & Policy

lp