

<b>TO:</b>	<b>CHAIR AND MEMBERS FINANCE &amp; ADMINISTRATIVE SERVICES COMMITTEE MEETING ON MONDAY, MAY 28, 2012</b>
<b>FROM:</b>	<b>JOHN BRAAM, P.ENG ACTING EXECUTIVE DIRECTOR, PLANNING, ENVIRONMENTAL &amp; ENGINEERING SERVICES &amp; CITY ENGINEER</b>
<b>SUBJECT:</b>	<b>NAVISTAR ORIGINAL EQUIPMENT MANUFACTURER REPLACEMENT PARTS SINGLE SOURCE</b>

<b>RECOMMENDATION</b>
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That, on the recommendation of the Acting Executive Director, Planning, Environmental & Engineering Services & City Engineer,

- a) That approval hereby **BE GIVEN** to enter into negotiations for a one (1) year contract with an option to renew for four (4) additional one (1) year periods for the supply and delivery of Navistar Original Equipment Manufacturer (OEM) replacement parts.
- b) That the civic administration **BE AUTHORIZED** to undertake all the administrative acts that are necessary in connection with this contract; and
- c) That approval hereby given **BE CONDITIONAL** upon the Corporation entering into negotiations for satisfactory prices, terms and conditions with Navistar Canada Incorporated to the satisfaction of the Acting Executive Director, Planning, Environmental & Engineering Services & City Engineer; and
- d) Approval hereby given **BE CONDITIONAL** upon the Corporation entering into a formal contract or having a purchase order relating to the subject matter of this approval.

<b>PREVIOUS REPORTS PERTINENT TO THIS MATTER</b>
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None.

<b>BACKGROUND</b>
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**Purchasing Process**

In 2011 purchases totalled \$174,433 (excluding HST). Products will be purchased into inventory as and when required for use on approximately 80 City fleet vehicles and 3 Fire Department Apparatus. Funding for the Navistar OEM replacement parts is provided in the 2012 Current Operating Budget.

Navistar Canada Incorporated is the manufacturer and has established an authorized local distributor; Carrier Centres, located at 90 Enterprise Drive, London, ON N6N 1A8, thus there is only one vendor for these products in South-Western Ontario.

The City qualifies for a National Fleet Pricing discount based on the volume of our fleet and our total annual spend in maintenance and replacement parts. All shipping and or freight costs have been absorbed by Carrier Centers and are provided at no additional charge for local or international deliveries to us.

This recommendation is in compliance with our 'Procurement of Goods and Service Policy' as per Section 14.4 Single Source, clauses d and e.

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**Financial Impact**

There are no additional operating costs associated with this project.

**Acknowledgements**

This report was prepared with input from Barrie Galloway, Operations Manager, Fleet Services, Don Coleman, Supervisor, Apparatus Division and Chris Ginty CPPB, Procurement Officer, Purchasing & Supply.

<b>SUBMITTED BY:</b>	<b>REVIEWED &amp; CONCURRED BY:</b>
<b>MIKE BUSHBY DIVISION MANAGER FLEET SERVICES</b>	<b>MIKE TURNER DEPUTY CITY TREASURER</b>
<b>RECOMMENDED BY:</b>	
<b>JOHN BRAAM, P.ENG. ACTING EXECUTIVE DIRECTOR, PLANNING, ENVIRONMENTAL &amp; ENGINEERING SERVICES &amp; CITY ENGINEER</b>	

Cc: John Freeman