

Report to : General Committee

SUBJECT:	Award of Contract 035-S-15 Purchase of One (1) Ice
PREPARED BY:	Resurfacing Machine Scott Hill, Community Facility Coordinator–North, Ext. 7107 Rosemarie Patano, Senior Construction Buyer, Ext. 2990

RECOMMENDATION:

- 1) THAT the report entitled "Award of Contract 035-S-15 Purchase of One (1) Ice Resurfacing Machine be received;
- 2) THAT the tendering process be waived in accordance with Purchasing By-Law 2004-341, Part II, Section 7 (1) (e) "where the City is acquiring specialized equipment, such as equipment in which case the sources of supply may be based on technical specifications prepared by the User Department Staff";
- 3) THAT the purchase of one (1) Ice Resurfacing Machine for the Mount Joy Community Centre be awarded to Zamboni Company Ltd. in the amount of \$91,535.31 inclusive of HST;
- 4) THAT funding for the purchase of one (1) ice resurfacing machine be funded from the 2014 Fleet capital account 057-6150-14232-005 (Corp Fleet Replacement – Non Fire) in the amount of \$89,961.00;
- 5) THAT the shortfall in the amount of \$1,574.31 be funded from the Life Cycle Replacement and Capital Reserve Fund;
- 6) THAT upon delivery of the new ice resurfacing machine, unit number 525-9229 (Model Year 2009) be traded in for an amount of \$15,000.00, with the proceeds from the sale posted to account 890-890-9305
- 7) THAT Zamboni Company Ltd. be the preferred supplier for five (5) years (2015 2019) for ice resurfacing machines;
- 8) THAT the Director of Recreation and Senior Manager of Purchasing be authorized to approve annual purchases of new ice resurfacing machines in years 2015-2019 subject to Council approval of the annual budget, and with a maximum annual increase capped at 1.75%;
- 9) AND THAT Staff be authorized and directed to do all things necessary to give effect to this resolution.

PURPOSE:

To authorize the purchase of one (1) ice resurfacing machine and to establish Zamboni Company Ltd. as the City's preferred supplier for ice resurfacing machines for the next five (5) years.

BACKGROUND:

Currently the City of Markham's Recreation Department has in inventory twelve (12) Zamboni machines at City facilities (with no surplus units) for the purpose of maintaining the ice surfaces at our existing community centres.

The name Zamboni is synonymous with ice rink re-surfacing machines. Zamboni Company Ltd. (formerly known as Frank J. Zamboni & Co., Ltd.) has approximately 60% of the market for ice re-surfacing machines in Canada and manufactures more machines per year than its competitors combined.

Zamboni Company Ltd. has been the preferred supplier for the supply and delivery of ice re-surfacing machines in Markham since 1993 and has been the supplier for the supply of parts and maintenance on all City owned and operated ice re-surfacing machines. Zamboni Company Ltd. does not have dealers, and purchases are made directly with the manufacturing plant in Bradford, Ontario. Staff have identified that the following municipalities currently maintain contracts with Zamboni Company Ltd.; Hamilton, Mississauga, London, Windsor, Brantford, Fort Erie, Sudbury, Whitby and Ajax.

The purchase of one (1) ice resurfacing machine for the Mount Joy Community Centre will result in an old unit from Mount Joy Community Centre, being transferred over to Angus Glen Community Centre to be utilized as a back-up machine. The ice resurfacing machine number 525-9229 (Model year 2009), located at the Angus Glen Community Centre being replaced, has had a condition assessment completed by maintenance staff and meets the criteria of the fleet replacement guidelines.

OPTIONS/ DISCUSSION: <u>Ice Resurfacing Machine</u>

An ice resurface machine is a vehicle or hand-pushed device used to clean and smooth the surface of an ice sheet in an ice rink. There is a limited market with only two major manufacturers, one being Resurfice Corp, which sells Olympia-brand machines and the other being and Zamboni Company Ltd.

Staff researched alternate equipment manufactured by Resurfice Corp. which manufactures the Olympia Millennium, a unit similar to the Zamboni 526 recommended under this award. The Olympia Millennium is approximately four percent (4%) lower in cost than the Zamboni 526; however, Staff has identified several key benefits of selecting the Zamboni 526 model:

Benefits:

- The Zamboni 526 ice resurfacing machine utilizes a four cylinder engine (approx. 12.4L/100 km) in comparison to an eight cylinder (approx. 14.8L/100 km) from the Olympia ice resurfacer. This makes the Zamboni machines more environmentally friendly, as they consume less fuel and produce lower emissions.
- The Olympia Millennium lacks a hydrostatic transmission, which is crucial in the maintenance of the arena ice surface, as corner build up must be cut down one (1)

to two (2) times a week as part of regular ice maintenance. The Olympia Millennium utilizes a standard Chevrolet transmission locked in low gear with a dual stage hydraulic pump resulting in less power to the ice conditioning augers and power steering at low speeds. As such, ice conditions can be adversely affected.

- The City's existing fleet consists of Zamboni machines. It is preferable for operational purposes to have a similar machine across facilities, as this allows flexibility for operators to be assigned to any of the City's facilities without the need for additional training.
- By standardizing equipment, the City has been able to maintain a consistent parts inventory and has practically eliminated external servicing costs by having our own staff receive Zamboni training and become certified to perform the repair and regular maintenance on the ice resurfacers, without voiding the warranty. These savings are approximately \$10,000 per year.
- The City's current inventory consists of resurfacing blades, brushes, and numerous mechanical parts exclusive to Zamboni resurfacing machines. If the City were to procure the Olympia Millennium machine, we would be required to stock similar inventory for their machine. There would an additional cost to the City to store and hold this inventory.
- Staff have been able to negotiate a 5 year contract with Zamboni that minimizes any further cost fluctuations (i.e., labour/material/US Dollars). The maximum increase is capped at 1.75% annually for future purchases similar to other municipal agreements. Since 2011, the cost of a Zamboni machine has remained relatively constant, increasing by 3.5% during the past 4 years.

Staff reviewed zero emission electric ice resurfacers manufactured by both Zamboni and Resurfice Corp. Costs from both manufacturers range between \$140,000.00 and \$150,000.00 per unit respectively. Electric machines pose operational limitations as they cannot maintain a twin pad, due to the high volume of floods, and inadequate time for recharging batteries in between floods.

Staff will continue to monitor the advancements of the electric machines: however, at this time we do not support purchasing an electric unit. As technology improves, further consideration should be given. Additional funding would need to be considered.

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FINANCIAL CONSIDERATIONS:

The following table is a summary of the financial considerations for this report:

Original Budget and Account #	\$89,961	057-6150-14232-005 Corp Fleet Replacement – Non Fire
Current Budget Available (unspent)	\$89,961	
Less Cost	(\$91,535)	Awarded to Zamboni Company Ltd.
Less Contingency Budget Remaining	(\$1,574)	

The shortfall in the amount of \$1,574.31 be funded from the Life Cycle Replacement and Capital Reserve Fund. The 2015 Life Cycle Reserve update will include the annual price increase of 1.75% for the years 2016 to 2019, as outlined in this report.

ALIGNMENT WITH STRATEGIC PRIORITIES:

Not Applicable

BUSINESS UNITS CONSULTED AND AFFECTED: Not Applicable

RECOMMENDED BY:

18/03/2015

3/23/2015

Mary Creighton Director, Recreation Services

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Brenda Librecz Commissioner, Community & Fire Services

ATTACHMENTS: Not applicable