



City of Hamilton

Report for Consideration

To: Mayor and Members
Public Works Committee

Date: April 13, 2026

Report No: PW26045

Subject/Title: Fleet Services Contract Extension C11-52-17

Ward(s) Affected: City Wide

Recommendations

- a) Pursuant to Procurement Policy #11 – Non-competitive Procurements, that Council approve the extension to Contract C11-52-17, for the provision of supply and delivery of heavy duty truck and equipment maintenance, parts and repair until November 10, 2026 and that the General Manager, Public Works Department **BE AUTHORIZED AND DIRECTED** to negotiate, enter into and execute the extension and any ancillary documents required to give effect thereto with Barton Truck Centre Ltd. and Metro Freightliner Hamilton Inc., in a form satisfactory to the City Solicitor;
- b) That staff **BE AUTHORIZED** to use funding of up to \$1,350,000 from Accounts 54532 (Outside services) and 580210 (Central Garage Vehicle Shop), with up to \$960,000 allocated to Barton Truck Centre Ltd. and up to \$390,000 allocated to Metro Freightliner Hamilton Inc.;

- c) That the General Manager, Public Works Department **BE AUTHORIZED** to end the contract extension earlier if a new purchase order and contract is awarded before the six-month period expires.

Key Facts

- Fleet Services relies on external service providers to supplement internal maintenance capacity and ensure approximately 440 heavy duty fleet vehicles remain operational and available to support critical municipal services.
- A new competitive procurement process is currently underway and is in its final stages, with award of a replacement contract and purchase order anticipated in Q3 2026.
- A temporary extension is required to bridge the current contract to the award of the new contract and mitigate the risk of service disruptions to heavy duty fleet maintenance services, which could impact the availability of vehicles required to support essential municipal operations such as waste collection, road maintenance, and winter control.
- The performance of the current vendors has been satisfactory; pricing remains competitive and continuing services through a short-term extension is in the City's best interest, representing the lowest-risk and best-value option to ensure services are uninterrupted while the competitive procurement process is completed.

Financial Considerations

Based on historical expenditures (2017-2024), the estimated monthly expenditures for this contract range from \$130,000 to \$180,000 per month. The estimated total value of the proposed six-month contract extension is approximately \$1,080,000.

To ensure funds are sufficient to cover any unforeseen spikes in unscheduled repair demand, \$1,350,000 is requested. This includes 25% contingency using the higher

\$180,000 per month estimate. These numbers are proposed due to the fluctuating nature of repair demands and seasonal requirements for the proposed extension period and do not represent scope creep. Funds are recommended to be allocated as follows:

- Barton Truck Centre Ltd. – \$960,000; and
- Metro Freightliner Hamilton Inc. – \$390,000.

The allocation of funding to each vendor reflects the City's need for the service mix provided by each vendor. The quantity, type and complexity of heavy duty assets that the City owns is also directly related to the funding amount required.

Operational funding is available within the current budget and recommended from Accounts 54532 (Outside services) and 580210 (Central Garage Vehicle Shop). To ensure alignment with policy and budget availability, expenditures will continue to be closely monitored. The requested allocation of \$1,350,000 aligns with forecasted maintenance needs and unit rates under the current contract for approximately 440 heavy duty units.

Background

Fleet Services enables the operational reliability of heavy duty trucks that crews utilize to maintain city roads, collect waste, and support winter operations. Contract C11-52-17 provides scheduled preventative maintenance and unscheduled repairs for the City of Hamilton's heavy duty fleet. These services ensure that scheduled service intervals are met on time and that unscheduled breakdowns are repaired within industry standard timeframes.

Initially awarded in 2017 for a two-year term, this contract is in accordance with the terms of the proposal and Procurement Bylaw #5.4 Request for Proposals (\$10,000 and greater). Included were five additional one-year renewal terms with a final expiry of November 11, 2024. This was a Request for Proposal and was awarded to two proponents based on highest overall points and asset needs.

In 2024, the development of the new heavy duty maintenance contract was undertaken prior to the expiration of the current contract. While procurement planning began in advance of contract expiry, timelines were extended due to competing organizational priorities, evolving workload demands, and staffing transitions that affected the pace of document development, review, and finalization.

Throughout this process, successive Procurement Policy #11 extensions were required to ensure continued service delivery. The current procurement is now nearing completion, and this requested extension is intended to provide a final bridge to contract award, reducing the need for any further extensions.

Council approval is now being sought to exceed the maximum staff level of approval for 18-months under the Procurement By-law. The dates for each Policy 11 extension approval with estimated expenditures for each vendor are listed in the table below.

To maintain good value for money for the City, the fixed hourly labour rates for these contracts escalated with inflation using the consumer price index for each term, and at 2% for the 18-month Policy 11 extension period.

The new Request for Proposals (RFP) C11-40-26 is currently posted publicly for bids and is expected to close April 21, 2026, assuming there are no extensions. The RFP has a multi-stage evaluation process, including mandatory submissions, technical submission evaluation, and equipment and facility inspections.

Table 1: Summary of Policy 11 Extensions and Expenditures (Net of HST)

| Policy 11 Date Range | Barton Truck Policy 11 Value | Metro Dollar Policy 11 Value |
|-----------------------------------|------------------------------|------------------------------|
| November 11, 2024 to May 31, 2025 | \$680,328 | \$282,815 |
| May 31, 2025 to August 31, 2025 | \$304,004 | \$156,094 |
| August 31, 2025 to May 10, 2026 | \$665,323 | \$204,041 |

Analysis

This request is to extend Contract C11-52-17 for ongoing heavy duty truck and equipment maintenance services. Extending Contract C11-52-17 supports the safe and reliable operation of the City's heavy duty fleet, which is necessary for delivering a wide range of essential services. Maintaining continuous access to these services is critical to avoid operational disruptions that could affect residents.

This extension is permitted under Procurement Policy #11 – Non-competitive Procurements, where Council approval is required for extensions beyond eighteen months. This proposed six-month extension is the most practical, lowest-risk option to maintain service continuity while a competitive procurement process is completed.

Fleet Services has continued to prioritize asset availability, risk management, and service continuity while working collaboratively with Procurement to advance the issuance and award of a new contract.

Alternatives

Instead of using external vendors, Fleet Services could repair heavy duty fleet units in-house on an interim basis rather than extending the existing contract. This option was determined to not be feasible, as the City does not currently have sufficient internal staffing capacity, required to support Heavy Duty fleet repairs at the scale and response times necessary to maintain expected service levels.

Rather than executing planned maintenance, required service work could be deferred until a new contract is awarded. This option is not recommended as it would likely result in vehicles being removed from service for an extended period of time, until resources were available to address the inevitable backlog, and services would be impacted as a result.

Approving additional overtime would address a portion of the normally outsourced work. This would result in higher maintenance costs as a result of the elevated hourly labour costs.

Extending the existing contract under Procurement Policy #11 was, therefore, identified as the most practical and lowest-risk option to maintain service continuity while the competitive procurement process for a replacement contract is completed.

Relationship to Council Strategic Priorities

Approval of the recommendations will allow the city to continue providing the approved level of service to the residents of the city.

1. Sustainable Economic & Ecological Development
 - 1.1. Reduce the burden on residential taxpayers
 - 1.2. Facilitate the growth of key sectors
2. Safe & Thriving Neighbourhoods
 - 2.1. Increase the supply of affordable and supportive housing and reduce chronic homelessness
 - 2.2. Make sure people can safely and efficiently move around by foot, bike, transit or car
3. Responsiveness & Transparency
 - 3.1. Build a high performing public service

Previous Reports Submitted

N/A

Consultation

Corporate Services - Procurement

Appendices and Schedules Attached

N/A

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