



Report to: General Committee

Meeting Date: March 26, 2018

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**SUBJECT:** Contract Extension for 053-R-12 Bunker Gear  
**PREPARED BY:** Chris Nearing, Deputy Fire Chief, Ext. 5960  
Patti Malone, Senior Buyer, Ext. 2239

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**RECOMMENDATION:**

- 1) THAT the report entitled “Contract Extension for 053-R-12 Bunker Gear” be received;
- 2) AND THAT the contract 053-R-12 Bunker Gear be extended to Safedesign Apparel Ltd. (“Safedesign”) for an additional 5 years (February 1, 2018-December 31, 2022), with a 3.5% annual increase as follows:
  - 2018 \$170,920.00 (80 units x \$2,136.50 per unit)
  - 2019 \$30,957.92 (14 units x \$2,211.28 per unit)
  - 2020 \$196,825.62 (86 units x \$2,288.67 per unit)
  - 2021 \$99,488.76 (42 units x \$2,368.78 per unit)
  - 2022 \$147,101.40 (60 units x \$2,451.69 per unit)
  - Total \$645, 293.70 (282 units)
- 3) AND THAT the tendering process be waived in accordance with Purchasing By-law 2017-8, Part II, Section 7 (1) (c) which states “when the extension of an existing contract would prove more cost-effective or beneficial”;
- 4) AND THAT funds be provided from 067-6150-18111-005 Bunker Gear Life Cycle Replacement in the amount of \$149,555.00 and 067-6150-18115-005 Replacement of Equipment due to Staff Retirement in the amount of \$21,365.00 for the 2018 award for a total amount of \$170,920.00. And that the remaining funds in the amount of \$5,345 from capital project 18111 Bunker Gear Life Cycle Replacement be returned to the original funding source;
- 5) AND THAT Staff be authorized to amend the award amounts in years 2018-2022 to reflect changes to the Capital budget accounts, subject to Council approval, as part of the annual budget process and;
- 6) That Staff be authorized and directed to do all things necessary to give effect to this resolution.

**PURPOSE:**

The purpose of this report is to obtain approval to extend contract 053-R-12 bunker gear for an additional five (5) years (2018-2022) with a 3.5% annual increase commencing in year 2 (2019) of the contract.

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**BACKGROUND:**

Bunker gear suits are designed for firefighters with materials that protect the upper and lower body, excluding head, hands, and feet, during fire fighting. It is mandatory that all materials and construction of suits must meet or exceed National Fire Protection Association (NFPA) Standard #1971 (current edition) and/or Occupational Safety and Health Association (OSHA29) CFR 1910.156, latest interpretation. These suits are tested by a third party agency on a yearly basis.

**OPTIONS/ DISCUSSION:**

In 2002, 2005 and 2012, Staff awarded the contract for supply and delivery of Fire Department's bunker gear requirements to Safedesign through a competitive process.

The market for bunker gear is limited and on each occasion, when the City issued a bid to the market, Safedesign provided the best technical submission and over the years have provided excellent delivery, service and support. Therefore, Staff is seeking approval to extend the contract for an additional five (5) years (2018-2022) under the City's Purchasing By-law 2017-08, Part II, Section 7 (1) (c) at the 2017 itemized prices for 2018 and subject to 3.5% increase to be applied annually (2019-2022).

The following are benefits are realized by standardizing the bunker gear with Safedesign:

**Interchangeability**

The recommendation to extend the current contract allows the City to maintain standardized bunker gear that enables interchangeability or interoperability with our protective gear. By keeping bunker gear consistent with existing equipment, it provides a more efficient process to manage the spares inventory while maintaining one standard of protection.

**Quality**

While wear and tear on firefighting garments is not entirely predictable, manufacturers estimate that bunker gear has a typical life expectancy of 5 years. To date Fire staff has received far greater wear from Safedesign Apparel Ltd. (Safedesign) suits than the typical life expectancy. On average, the City have received roughly 6.5 to 7 year's service life from these suits and it is anticipated the proposed suits will continue to provide the same performance. The Lifecycle Reserve Study has been adjusted to reflect bunker gear to a 7-year lifespan.

All of the bunker gear suits are kept for 10 years before they are deemed unusable through legislation/NFPA standards, after which time they are disposed of. After 7 years, the suits are stored and kept as spare inventory for firefighters when their bunker gear is out for annual testing, repairs or laundering.

**Price**

Staff have confirmed that the 2018 price for each bunker gear (\$2,136.50 inclusive of HST) is very competitive in the market place.

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**FINANCIAL CONSIDERATIONS**

<b>Account Number</b>	<b>Account Name</b>	<b>Budget Available for this Award</b>	<b>Cost of Award</b>	<b>Budget Remaining</b>
067-6150-18111-005	Bunker Gear Life Cycle Replacement	\$ 154,900	\$ 149,555	\$ 5,345
067-6150-18115-005	Replacement of Equipment Due to Staff Retirements	\$ 21,365	\$ 21,365	\$ -
<b>Total</b>		<b>\$ 176,265</b>	<b>\$ 170,920</b>	<b>\$ 5,345</b>

The budget remaining in the amount of \$5,345 for capital project 18111 Bunker Gear Life Cycle Replacement will be returned back to the original funding source.

**Negotiations**

Compared to the last year of the previous contract term (2016), bunker gear has increased by 33.6% (\$2,136.50 vs. \$1,599.01). The price of the bunker gear is influenced by the exchange rate and the cost of fibre.

When the City awarded the contract back in 2012 (2012-2016 contract term), the Canadian Dollar was at par with the US Dollar and the contractual agreement did not allow the supplier to amend pricing due to the exchange rate. Of the total price increase of 33.6%, a portion (28%) of the increase can be attributed to the exchange rate as the material and the bunker gear are produced in the US.

The remaining increase is due to the increased cost of the fibre material (fibre makes up 66% of the cost). The bunker gear suits for the City are manufactured in New Hampshire and the primary fabric supplier for Nomex and Kevlar is Dupont, who over the past few years have increased their prices by 5% annually to the manufacturer.

Staff commenced discussions back in the summer of 2017 and through negotiations; Staff were able to reduce the original offer of \$2,600.00 per bunker gear to the recommended awarded amount of \$2,136.50 (inclusive of HST). In addition, Staff were able to reduce the annual increase from the proposed 5% to 3.5%. The City's previous contract had an annual increase of 5%.

**LEGAL CONSIDERATIONS**

The City is subject to the following new trade agreements, which apply to public sector procurements above a certain dollar threshold: the Canada-European Union Comprehensive Economic and Trade Agreement (CETA), effective September 21, 2017; and the Canadian Free Trade Agreement (CFTA), effective July 1, 2017.

City Staff are in the process of reviewing the City's procurement by-law, policies and practices to ensure compliance with the CETA and CFTA trade agreements, and will update accordingly. The recommended contract award complies with the CETA and CFTA trade agreements.

**HUMAN RESOURCES CONSIDERATIONS**

Not applicable

**ALIGNMENT WITH STRATEGIC PRIORITIES:**


Not applicable

**BUSINESS UNITS CONSULTED AND AFFECTED:**

Finance

**RECOMMENDED BY:**

2018-03-05

X 

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Dave Decker  
Fire Chief  
Signed by: cxa

2018-03-05

X 

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Brenda Librecz  
Commissioner, Community & Fire Services  
Signed by: cxa