



Report to: General committee

Report Date: November 17, 2008

SUBJECT: Award of Contract 063-S-08 Purchase of One (1) Ice Resurfacing Machine and Parts and Maintenance for Ice Resurfacing Machines

PREPARED BY: Glen Taylor, Manager, Community Centre Operations

RECOMMENDATION:

THAT the report entitled “Award of Contract 063-S-08 Purchase of One (1) Ice Resurfacing Machine and Parts and Maintenance for Ice Resurfacing Machines” be received;

AND THAT the tendering process be waived in accordance with Purchasing By-Law 2004-341, Part II, Section 7 (1) (e) “where the Town is acquiring specialized equipment...”;

AND THAT the purchase of one (1) ice resurfacing machine be awarded to Frank J. Zamboni & Co., Ltd. in the amount of \$91,026.80 inclusive of PST and Transportation and exclusive of GST;

AND THAT funding for the purchase of one (1) ice resurfacing machine for the Angus Glen Community Centre (twin pad arena) be funded from the 2008 Fleet capital account 057 6150 8105 005 (Corp Fleet Replacement);

AND THAT The Town’s preferred supplier for ice resurfacing machines for the next five (5) years continue to be Frank J. Zamboni & Co., Ltd.;

AND THAT Frank J. Zamboni & Co., Ltd. be the vendor of choice for the next five (5) years to provide parts and maintenance for the ice resurfacing machines for the Recreation and Cultural Services Department in the estimated amount of \$36,000.00 per annum as identified in the respective operating accounts identified on pg. 3 Table B (Account Details – Maintenance);

AND THAT Ice re-surfacing vehicle # 520-5766 be disposed of in accordance with Purchasing By-law 2004-341, Part V Disposal of Personal Property;

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 Frank J. Zamboni & Co., Ltd. as the Town’s sole source for ice resurfacing machines, parts and maintenance for the next five (5) years.

BACKGROUND:

Currently the Town of Markham’s Recreation Department has eleven (11) Zamboni ice resurfacing machines for the purpose of maintaining the ice surfaces at our existing community centres.

The name Zamboni is synonymous with ice rink re-surfacing machines. Frank J. Zamboni has approximately 80% of the market for ice re-surfacing machines in Canada.

Frank J. Zamboni has been the sole source vendor for the supply and delivery of ice re-surfacing machines since 1993 and has been the preferred vendor for the supply of parts and maintenance on all Town owned and operated ice resurfacing machines. Frank J. Zamboni & Co. Ltd. does not have dealers and purchases are made directly with the manufacturing plant. Staff have identified that the following Municipalities currently maintain contracts with Frank J. Zamboni & Co. Ltd.; Hamilton, London, Windsor, Brantford, Fort Erie, Sudbury, Whitby and Ajax.

OPTIONS/ DISCUSSION:

Ice Resurfacing Machine Purchase

Staff has researched alternate equipment manufactured by Resurice Corp. which manufactures the Olympia Millenium, a unit similar to the Zamboni 525. The Olympia is approximately four percent (4%) less expensive versus the Zamboni 525 but staff has identified several differences between the units. The Zamboni unit has a larger water tank design (220 vs. 175 imperial gallons) which allows back to back floods on one fill up in twin pad arenas.

The Zamboni ice resurfacing machines utilize a four (4) cylinder engine (approx. 12.4L / 100 km) in comparison to an eight (8) cylinder (approx. 14.8 L / 100 km) from the Olympia ice resurfer. This difference makes the Zamboni machines more environmentally friendly as it consumes less fuel and therefore produces lower emission levels.

The Olympia also lacks a hydrostatic transmission, which is crucial in the maintenance of the arenas, as corner build up must be cut down once or twice a week as regular maintenance. The Olympia utilizes a standard Chevrolet transmission locked in low gear with a dual stage hydraulic pump allowing less power to the ice conditioning augers at low speed. The Zamboni ice re-surfacer utilizes a hydrostatic transmission which allows the machine to travel very slowly at maximum RPM while applying all of its power to the ice conditioner augers.

Staff has reviewed zero emission electric ice resurfacers manufactured by both Frank J. Zamboni & Co. Limited and Icecat. The Town received competitive quotations from both manufacturers which ranged between \$140,000 - \$165,000 per unit respectively. Upon further research, an electronic machine cannot maintain a twin pad facility (Angus Glen CC) due to the number of floods required on a weekend as there is not adequate time for recharging.

As part of the Lifecycle Replacement plan it is Staff's intention to acquire and replace an ice resurfacing machine on an annual basis through the term of the 5 year contract.

Parts and Maintenance

By standardizing equipment the Town has been able to provide a consistent parts inventory and have practically eliminated external servicing costs through our own staff doing repairs and regular maintenance. Our inventory consists of re-surfacing blades, brushes, and numerous mechanical parts exclusive to Zamboni re-surfacing machines.

Frank J. Zamboni currently provides the Town of Markham with both parts and maintenance for the fleet of Zamboni ice resurfacing machines. Based on historical details, 83% of the annual costs are attributed to the purchase of parts directly from Frank J. Zamboni Ltd. with the remaining balance towards maintenance that cannot be conducted by Town Staff.

The rates proposed by Frank J. Zamboni are comparable with current shop rates for repair and maintenance in the automotive industry (similar scope), which run between \$89.00 per hour for private shops that repair a wide variety of vehicles and equipment to dealers at a rate as high as \$119.00 per hour which generally repair their own make and models.

Due to the nature of the machines, it is beneficial for the Town to use the Manufacturer, Frank J. Zamboni & Co., Ltd. to provide specialized maintenance service to the ice resurfacing machines. It ensures consistency in warranty on parts and labour on all ice resurfacing machines.

The negotiated labour rate has increased approximately 7% from \$75/hour to \$80/ hour for regular hours. Labour represents approximately 13% of the annual costs and so the rate increase is expected to have a minimal impact to the overall contract costs. As a result, the department's operating budget has not been adjusted for the rate increase.

Table B – Account Details (Maintenance) 2009 Budget Impact:

Account	2009 Budget Pending Approval	Less 2009 Est. Cost for this Award *	Remaining Balance after award
504 921 5314 Angus Glen CC	\$33,845.00	\$6,000.00	\$27,845.00
503 922 5314 Mount Joy CC	\$20,641.00	\$4,000.00	\$16,641.00
503 923 5314 Markham Village CC	\$18,353.00	\$4,000.00	\$14,353.00
500 199 5314 Thornhill CC	\$40,900.00	\$6,000.00	\$34,900.00
501 922 5314 Clatworthy Arena CC	\$15,220.00	\$4,000.00	\$11,220.00
502 921 5314 Milliken Mills CC	\$10,020.00	\$4,000.00	\$6,020.00
503 921 5314 Centennial CC	\$18,827.00	\$4,000.00	\$14,827.00
502 922 5314 Crosby CC	\$28,510.00	\$4,000.00	\$24,510.00
Total	\$186,316.00	\$36,000.00	\$150,316.00

* The award estimate is based on 2005 – 2007 costs and includes the 2008 price increase. The price increase is expected to be absorbed within the proposed 2009 operating budgets pending council approval.

2008 Budget Impact:

Account	2008 Available Budget	Less 2008 Est. Cost – 15% of annual award	2008 Remaining Balance after award
Various Accounts	\$ 64,311.08	\$ 5,400.00	\$ 58,911.08

Table C – Account Details (Machine Purchase)

Account	Budget Allocated to Purchase	Less Award Cost – Machine Purchase	2008 Remaining Balance after award
057-6150-8105-005 2008 Fleet Replacement	\$ 86,700	\$ 91,027	(\$ 4,327)*

*Shortfall of \$4,327 will be funded from the favourable variance of \$8,819 in account 057-6150-8105-005 (Staff Award 053-T-08) which was identified to be used for future fleet needs.

ENVIRONMENTAL CONSIDERATIONS:

Not applicable

ACCESSIBILITY CONSIDERATIONS:

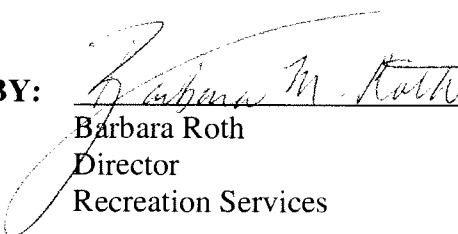
Not applicable

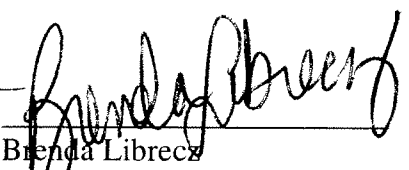
ENGAGE 21ST CONSIDERATIONS:

Not applicable

BUSINESS UNITS CONSULTED AND AFFECTED:**RECOMMENDED**

BY:


Barbara Roth
Director
Recreation Services


Brenda Librecht
Commissioner,
Community and Fire Services

ATTACHMENTS:

Not applicable