



P.O. Box 1749  
Halifax, Nova Scotia  
B3J 3A5 Canada

**Item No. 15.1.3**  
**Halifax Regional Council**  
**April 5, 2022**

**TO:** Mayor Savage and Members of Halifax Regional Council

**SUBMITTED BY:**

Original Signed by 

\_\_\_\_\_  
Jacques Dubé, Chief Administrative Officer

**DATE:** March 3, 2022

**SUBJECT:** **Execution of Assignment and Assumption Agreement – GCR Tires to Kal Tire**

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**ORIGIN**

HRM has an agreement (2090009883) for the supply, installation and service of tires with GCR Tire Centers. GCR Tire Centers has been purchased by Kal Tire. This agreement will be assigned and assumed by Kal Tire.

**LEGISLATIVE AUTHORITY**

Administrative Order Number 2020-004-ADM, the Procurement Policy

Contract Assignments

34. The authority to consent to a request by a supplier to assign a contract to another person or entity is as follows:

Assignment Authority	Total Value of Contract
Manager of Procurement	\$500,000
CAO	\$1,250,000
Council	Any Amount

**RECOMMENDATION**

It is recommended that Halifax Regional Council consent to the assignment of the Municipality's existing agreement with GCR Tire Centers to Kal Tire and direct the Chief Administrative Officer to execute an assignment and assumption agreement to permit the assignment.

**BACKGROUND**

GCR Tire Centers is the holder of an agreement (2090009883) to supply the municipality with tires, and services related to tires for Fleet Services. This agreement has been in place since September 2018. This agreement does not include tires, and related services, for the Municipality's Transit service.

The Municipality has been informed that GCR Tire Centers has been purchased by Kal Tire. Kal Tire has requested that it be assigned the GCR agreement. One option year remains on the agreement.

**DISCUSSION**

Kal Tire has reviewed and signed the Municipality's standard Assignment and Assumption Agreement and returned it for execution by HRM. It is included as Attachment 1.

In accordance with the Assignment and Assumption Agreement, Kal Tire agrees to assume all right, title, interest, responsibilities, obligations, liabilities and duties of GCR Tire Centers arising out of the agreement.

In support of the assignment, Kal Tire has provided HRM with all documentation required under the contract, including certificates of insurance and a surety to be executed in the amount required by the agreement. HRM Procurement has reviewed this documentation and is satisfied that Kal Tire is an appropriate organization to which the agreement should be assigned.

**FINANCIAL IMPLICATIONS**

There are no changes to the existing pricing schedule and contract value(s) and no financial implications associated with this report. Financial Spend on this agreement is \$1,947,367.68 to date. The approximate annual spend is \$490,000.00.

**RISK CONSIDERATION**

There would be negative impact to HRM Fleet Operations if the agreement is not assigned to Kal Tire.

**COMMUNITY ENGAGEMENT**

No community engagement was required.

**ENVIRONMENTAL IMPLICATIONS**

No environmental implications were identified.

**ALTERNATIVES**

Halifax Regional Council could choose not to approve, which would result in the need to solicit for a new vendor for tires.

**ATTACHMENT**

Attachment 1 – Assignment and Assumption Agreement – Kal Tire

A copy of this report can be obtained online at [halifax.ca](http://halifax.ca) or by contacting the Office of the Municipal Clerk at 902.490.4210.

Report Prepared by: Scott King – Senior Procurement Consultant, FAM, 902.579.7340

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**ASSIGNMENT AND ASSUMPTION AGREEMENT**

**THIS AGREEMENT** (the "Agreement") made the 29<sup>th</sup> day of Nov, 2021.

**BETWEEN:**

• GCR Tires & Service

(the "Assignor")

-and-

• KalTire

(the "Assignee")

**WHEREAS** the Assignor wishes to transfer the contracts listed in Schedule A hereto with Halifax Regional Municipality to the Assignee (hereinafter the "Contracts").

**WHEREAS** the Assignor desires to assign and the Assignee desires to assume all of the Assignor's right, title, interest, responsibilities, obligations, liabilities and duties in the Contracts.

**NOW THEREFORE** in consideration of the mutual covenants herein contained, the parties do hereby agree as follows:

1. **ASSIGNMENT & ASSUMPTION** – Effective as of the date of this Agreement, the Assignor hereby assigns all of its right, title, interest, responsibilities, obligations, liabilities and duties in the Contracts to the Assignee, and the Assignee hereby assumes all of the Assignor's right, title, interest, responsibilities, obligations, liabilities and duties with regard to performance of the Contracts according to such Contracts' terms and conditions.
2. **EXECUTION** – This Agreement may be executed in any number of duplicate counterparts, and facsimile or email copies of signatures shall be deemed to be originals.

[remainder of page intentionally left blank]

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be duly executed on the day and year first above written.

Assignor:

• GCR Tires &Service

Per:



Signature

Ron Heighton

Name

Sales Manager Atlantic Canada

Title

I have the authority to bind the Corporation.

Assignee:

• KalTire

Per:



Signature

Shauwn Whitehead

Name

Zone Manager Atlantic Canada

Title

I have the authority to bind the Corporation.

This Agreement is executed by the Halifax Regional Municipality to evidence its consent to the assignment and assumption of the Contracts.

**HALIFAX REGIONAL MUNICIPALITY**

Per:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

I have the authority to bind the Corporation.

**SCHEDULE A**

**Contracts with Halifax Regional Municipality:**

<b>Reference Number:</b>

**Reference Number: (Continued)**

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