

Municipality of Lakeshore – Report to Council

Operations

Public Works



To: Mayor & Members of Council
From: Jeff Wilson, Division Leader – Public Works
Date: November 24, 2023
Subject: Tender Award for the Purchase of Two (2) Large Fleet Vehicles

Recommendation

Award the tender for the purchase of two (2) large fleet vehicles including a 2025 tandem axle cab & chassis with one-way plow and wing and a 2025 single axle cab & chassis with two-way plow and wing, to Carrier Truck Center Inc. in the amount of \$774,845.31 (including applicable HST);

Approve the overage in the amount of \$74,845.31 (including applicable HST) to be funded from Vehicles and Equipment Reserves; and

Approve the disposal of the Public Works Service Truck (Unit #603) in accordance with the Sale of Corporate Vehicles Policy AD-209, returning the applicable disposal funds to the Vehicle & Equipment Reserves, as presented at the December 12, 2023 Council meeting.

Background

Council approved a budget in 2023 for the above identified large fleet vehicles. These vehicles are proposed to be procured through the LAS program which allows the manufacturer/dealer to access more discounts than going through a formal tender process. This process is allowed through Lakeshore's Purchasing By-law.

Two (2) vehicles are included in this award are replacements for the below:

- Replacement of Unit #603 – Unit #603 is a 2008 plow truck being replaced as it over its useful service life of 12 years, this vehicle will be 17 years old by the time the new unit is delivered in 2025. In the last six years the operating costs for Unit #603 is \$102,390.00, one third of the original purchase price; and
- A new additional single axle unit is being added to the fleet to align with the added km's of roadways in the urban areas and help to maintain our current level of service, while meeting minimum maintenance standards.

Procurement of large vehicles has taken on a new look with 2 plus years delivery time becoming the norm, although administration has exhausted many avenues to try and speed up the progress, assembly and build times are progressively getting worse.

The lifecycle replacement of 12 years is common across the municipal environment, but our procurement process will need to be escalated to include commitments to purchase multiple vehicles years ahead of the actual lifecycle replacements to avoid escalating repair costs and have reliable equipment.

Comments

The procurement for these the two vehicles outlined in this report are being procured through the LAS program, under the Sourcewell Contract # D60920-NVS. It was identified that the purchase of these vehicles through this program has resulted in a cost savings of 48.2% on the tandem axle truck and a 30.3% cost savings on the single axle truck.

It should also be noted that the last tandem truck & plow that was purchased in 2021 for \$321,689.27 (and was not received until late 2023) shows a cost escalation of 35% in purchase price over the last 2 years.

The proposals provided for these two vehicles are good for 30 days. The Municipality does not pay for the vehicles until delivery of the vehicle.

Financial Impacts

The table below outlines the associated costs and financial impact:

Description	Contract Cost (including applicable HST)	2023 Budget	Over/under (including applicable HST)
Carrier Truck Center Inc.			
6x2 Tandem Truck & Plow	\$436,655.78	\$400,000	(\$36,655.78)
4X2 Single Axle Truck & Plow	\$338,189.53	\$300,000	(\$38,189.53)
Total	\$774,845.31	\$700,000	(\$74,845.31)

The 2023 approved budgeted amount of \$700,000 for the purchase of the Tandem Axle Cab & Chassis and the Single Axle Cab & Chassis. The contract amount submitted by Carrier Truck Center is \$774,845.31 including applicable HST with an overage amount of \$74,845.31.

Based on the above, Administration recommends that Council proceed with awarding the contract to Carrier Truck Center in the amount of \$761,443.90 (plus HST). And approve the amount of \$74,845.31 to cover the overage, to be funded from the Vehicle & Equipment Reserves and return the disposal amount received for Unit #603 to the Vehicle & Equipment Reserves.

The estimated closing balance of the Vehicle & Equipment Reserve would be estimated at \$714,475 after the above transfer.

Report Approval Details

Document Title:	Tender Award - Purchase - Large Fleet - Two (2) Trucks.docx
Attachments:	
Final Approval Date:	Dec 4, 2023

This report and all of its attachments were approved and signed as outlined below:

Prepared by Jeff Wilson

Submitted by Krystal Kalbol

Approved by Justin Rousseau and Truper McBride