

# Municipality of Lakeshore – Report to Council

## Operations

## Public Works



**To:** Mayor & Members of Council

**From:** Chad Drummond, Team Leader – Roads & Fleet

**Date:** January 10, 2024

**Subject:** Tender Award - Purchase of the Replacement of Street Sweeper

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### Recommendation

Award the contract for the purchase of a new 2024 RAVO 5-I Series Compact Sweeper, to Cubex Limited in the amount of \$385,645.84 (including applicable HST);

Approve the associated rental costs in the amount of \$32,520.00 (including applicable HST) for a period of two (2) months and extend (if required) based on equipment delivery delays up to a maximum of 6 months; and

Approve the overage in the amount of \$130,268.48 (including applicable HST, with the potential of rental costs for an additional 4 months in the amount of \$62,800.00 including applicable HST) to be funded from the Vehicles and Equipment Reserves, all as presented at the January 30, 2024 Council meeting.

### Background

In 2018, Council approved a tender for the purchase of an Elgin Regenerative Air Street Sweeper in the amount of \$285,251.60 (including applicable HST). There was a 12 month build date for this unit and it was received in April of 2019.

On November 15, 2023, the Elgin Sweeper caught fire during normal sweeping operations and was deemed a total loss by the Municipality's Insurance provider. The Insurance provider has issued a cheque in the amount of \$287,897.36 which represents the purchase price (less HST) plus 1.76% non-recoverable HST for the replacement of this vehicle.

The cause of the fire has not yet been determined.

The proposed replacement sweeper is a 2024 RAVO 5-I Series Pure Vacuum Sweeper. The anticipated delivery date for this vehicle is in May 2024.

There will be a brief period in early spring when a rental sweeper will be required to fulfil operational duties in the amount of \$15,700.00 per month (including applicable HST) with a \$1,120.00 delivery fee (including applicable HST). This rental period is anticipated to cover two months from March 20, 2024 (weather dependent) until May 20, 2024, when the new unit is delivered.

There is no insurance coverage for rental costs associated with the loss of a heavy commercial vehicle which is a normal industry standard (private passenger and light commercial only).

If additional costs are required to extend this based on potential delivery delays, additional funds will be taken from the Vehicles and Equipment Reserves as required until the Street Sweeper is received from the supplier. If the delivery delays exceed 6 months, Council will be updated via a subsequent report.

### **Comments**

The procurement for the vehicle outlined in this report will be procured through the LAS program, under the Sourcewell Contract # 090321-FAY. It has been identified that the purchase of this vehicle through this program (single sourcing) has resulted in cost savings of 5%.

Procuring vehicles through the LAS program allows the Manufacturer/Dealer to access more discounts than going through a formal tender process. This process is permitted through Lakeshore's Purchasing By-Law.

It should be noted that the sweeper purchase in 2018 for \$285,251.60 (including applicable HST) shows a cost escalation of approximately 35% over 6 years.

Further, based on the situation, the above procurement option is recommended as additional timing to prepare and go to tender will add unnecessary rental costs and other suppliers may take longer to obtain the vehicle.

### **Others Consulted**

The insurance provider and Cubex Limited were consulted as part of this process.

### **Financial Impacts**

The below table below outlines the associated costs and financial impact for the replacement:

<b>Description</b>	<b>Tender Cost (excluding applicable HST)</b>	<b>Tender Cost (including applicable HST)</b>	<b>Insurance Reimbursement Amount (Available Budget)</b>	<b>Over/Under (including applicable HST)</b>
2024 RAVO 5-I Series Compact Sweeper by Cubex Limited	\$ 378,975.86	\$ 385,645.84	\$ 287,897.36	
Rental Costs (2 months rental and delivery fee)	\$ 31,900.00	\$ 32,520.00		
<b>Total</b>	<b>\$ 410,933.41</b>	<b>\$ 418,165.84</b>	<b>\$ 287,897.36</b>	<b>-\$ 130,268.48</b>

Based on the above, Administration recommends that Council proceed with awarding the contract to Cubex Limited in the amount of \$385,645.84 (including applicable HST), approve the associated rental costs as outlined above and approve the required overage for the replacement of the vehicle, to be funded from the Vehicle and Equipment Reserves.

### Report Approval Details

Document Title:	Replacement of Street Sweeper - Fleet.docx
Attachments:	
Final Approval Date:	Jan 24, 2024

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

Prepared by Chad Drummond

Submitted by Krystal Kalbol

Approved by Justin Rousseau and Truper McBride