

# Municipality of Lakeshore – Report to Council

## Operations

## Public Works



**To:** Mayor & Members of Council  
**From:** Jeff Wilson, Division Leader – Public Works  
**Date:** April 29, 2024  
**Subject:** Tender Award for the Purchase of Two (2) Large Fleet Equipment

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### Recommendation

Award the tender for the purchase of the two (2) large fleet equipment including 1) 2024 Case 521G2 Wheel Loader with snow blade; and 2) 2024 Case 580SN Backhoe, to Delta Power Equipment Ltd. in the amount of \$445,912.32 (including applicable HST); and

Approve the disposal of the Public Works Service Backhoe (Unit #622) in accordance with the Sale of Corporate Vehicles Policy AD-209, returning the disposal funds received to the Vehicle & Equipment Reserves, as presented at the May 28, 2024 Council meeting.

### Strategic Objectives

The below is the strategic objective related to this item:

1a) Building and Stewarding Municipal Infrastructure - Update Asset Management Plan

### Background

Council approved a total of \$470,000 in the 2024 budget for the below identified two (2) large fleet equipment to be added/replaced:

- A new Case 521G2 Wheel Loader is being added to the fleet to aid in loading trucks during winter control operations and to eliminate \$30,000.00 in loader rental costs per season. This also aligns with accommodating growth with the added km's of roadways in the urban areas, to maintain our current level of service, while continuing to meet minimum maintenance standards; and
- The replacement of Unit #622 with a 2024 Case 580SN Backhoe. Unit #622 is a 2012 John Deere Backhoe being replaced as it has exceeded its useful service life of 12 years.

Lifecycle replacement of 12 years is common across the municipal environment for this type of equipment.

### Comments

The procurement for the two large pieces of equipment outlined in this report are being procured under the Sourcewell Contract # 011723-CNH-1. The purchase of these vehicles through this program has resulted in cost savings of 25% on the 2024 Case 521G2 Wheel Loader and 30% cost savings on the 2024 Case 580SN Backhoe.

The proposals provided for the two pieces of equipment are good until May 31, 2024.

The Municipality does not pay for the equipment until delivery.

### Financial Impacts

The table below outlines the associated costs of equipment and the financial impact:

Description	Contract Cost (including applicable HST)	2024 Budget	Over/under (including applicable HST)
Delta Power Equipment Ltd.			
1) 2024 Case 521G2 Wheel Loader	\$249,312.00	\$280,000.00	\$23,768.32
Snow Blade for Loader	\$6,919.68		
2) 2024 Case 580SN Backhoe	\$189,680.00	\$190,000.00	\$320.00
<b>Total</b>	<b>\$445,912.32</b>	<b>\$470,000.00</b>	<b>\$24,088.32</b>

The 2024 approved budget allocated the amount of \$470,000.00 for the purchase of the Case Wheel Loader & the Backhoe. The contract amount submitted by Delta Power Equipment Ltd. is \$445,912.32, including applicable HST and is within the 2024 budgeted amount.

Based on the above, Administration recommends that Council proceed with awarding the contract to Delta Power Equipment Ltd. in the amount of \$438,200.00 (plus HST) to be funded from the Vehicle & Equipment Reserves and return the amount of \$24,088.32 plus the disposal amount (to be determined) for Unit #622 to the Vehicle & Equipment Reserves.

The estimated closing balance of the Vehicle & Equipment Reserve would be \$42,218 after the above transfer.

## Report Approval Details

Document Title:	Tender Award for the Purchase of Two (2) Large Fleet Equipment.docx
Attachments:	
Final Approval Date:	May 16, 2024

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

Prepared by Jeff Wilson

Submitted by Krystal Kalbol

Approved by the Corporate Leadership Team