

Municipality of Lakeshore – Report to Council

Operations

Public Works



To: Mayor and Members of Council
From: Jeff Wilson, Division Leader – Public Works
Date: January 3, 2025
Subject: Tender Award for the Purchase of One Large Fleet Vehicle

Recommendation

Award the tender for the purchase of one Large Fleet Vehicle, a 2025 single axle cab and chassis with two-way plow and wing, to Carrier Truck Center Inc. in the amount \$394,485.47 (including applicable HST); and

Approve the disposal of the Public Works Service Truck (Unit #609) in accordance with the Sale of Corporate Vehicles Policy AD-209, returning the applicable disposal funds to the Vehicle and Equipment Reserve, as presented at the March 4, 2025 Council meeting.

Strategic Objectives

The following Strategic Objective is applicable to this project:

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

Background

In the 2024 budget, Council approved the purchase of one large fleet vehicle under Public Works. The 2025 single axle cab and chassis is the replacement of Unit #609. Unit #609 is a 2010 plow truck being replaced as it is over its useful service life of 12 years. This vehicle will be 17 years old by the time the new unit is delivered in 2027. Lifecycle replacement of 12 years is common across the municipal environment, specifically for this type of large fleet vehicle.

The total operating cost for Unit #609 over the past six years is \$96,781.57, which is half of its original purchase price. Escalating repair costs and limited parts availability has added to the ongoing problem with ensuring existing equipment is in running condition when needed to provide and maintain a consistent level of service.

Comments

This vehicle is being procured through the Local Authority Services (LAS) Municipal Buying Group (under the Sourcewell Contract # D60920-NVS) 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.

It was identified that the purchase of this vehicle through the LAS Municipal Buying Group has resulted in cost savings of 30% for this single-axle truck (in lieu of a formal tender process).

Buying Groups are allowed under section 7 of the Procurement policy which states as follows:

7.0 Cooperative Procurement and Buying Groups

7.1 Permitted. The Procurement Office is authorized to enter into arrangements with area municipalities, local boards and other public bodies or authorities for the purchase of Deliverables on a cooperative or joint basis where there are economic advantages to doing so; provided that under any such approved arrangement the methods used are competitive and that all approvals from the relevant Approval Authorities are received before committing to the joint purchase process. The Purchasing Specialist shall maintain a list of approved Buying Groups.

Through the LAS Municipal Buying Group, three quotes were provided and have been included below:

Description	Contract Cost (excluding applicable HST)	Contract Cost (including applicable HST)
International Carrier Truck Center Inc	\$387,662.71	\$394,485.57
Freightliner Premier Truck Group	\$389,490.00	\$405,503.42
Western Star Team Truck Center	\$418,490.00	\$425,855.42

The prices provided include extended transmission, engine and chassis warranty for 5 years/160,000 km.

Financial Impacts

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

Description	Contract Cost (including applicable HST)	2024 Budget	(Over)/under (including applicable HST)
International Carrier Truck Center Inc	\$394,485.57	\$400,000.00	\$5,514.43
Total	\$394,485.57	\$400,000.00	\$5,514.43

The pricing provided for this vehicle from International Carrier Truck Center Inc will be honored until the end of February. In March 2025 the higher US dollar will affect this price, therefore, the vendor confirmed that the purchase will need to be completed by March 5.

The 2024 approved budgeted amount of \$400,000 was provided for the purchase of a Single Axle Cab and Chassis.

Based on the above, Administration recommends that Council proceed with awarding the contract to International Carrier Truck Center Inc in the amount of \$394,485.57 (including applicable HST).

The under amount of \$5,514.43 as well as the disposal amount received for Unit #609 will be returned to the Vehicle and Equipment Reserve.

Report Approval Details

Document Title:	Tender Award for the Purchase of One (1) Large Fleet Vehicle.docx
Attachments:	
Final Approval Date:	Feb 20, 2025

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