

Municipality of Lakeshore – Report to Council

Operations

Public Works



To: Mayor and Members of Council

From: Jeff Wilson, Division Leader – Public Works

Date: March 27, 2025

Subject: 2025 Contract Award for the Purchase of Two Large Fleet Vehicle

Recommendation

Award the contract to Viking-Cives Ltd for the purchase of two (2) 2026 47 x Tandem Axle, Cab, Chassis, One Way Plow and Wing from Western Star Team Truck Center in the amount of \$972,133.63 (including applicable HST); and

Approve the disposal of the Public Works Service Trucks Unit #623 and 618 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 April 29, 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 2025 budget, Council approved the purchase of two (2) large fleet vehicles under Public Works. The two (2) 2026 tandem axle cab and chassis will replace Units #623 and #618. These trucks are being replaced as they are over the useful service life of twelve (12) years. Lifecycle replacement of 12 years is common across the municipal environment, specifically for this type of large fleet vehicle.

Escalating repair costs and limited parts availability have added to the ongoing problem with ensuring the existing equipment is in running condition when needed to provide and maintain a consistent level of service.

The total operating costs for Units #623 and #618 over the past six years are a combined \$311,109.00, which is over half of the budgeted amount for one new vehicle.

Comments

These vehicles are being procured through the Local Authority Services (LAS) Municipal Buying Group #: LAS1362, (under the CANOE CONTRACT #: 062222-VCM) which allows the manufacturer/dealer to access more discounts than going through a formal tender process. This process is allowed through Lakeshore's Purchasing Policy.

The costs associated with this purchase include a 7 year/161,000 km power train warranty.

Buying Groups are allowed under Section 7 of the Procurement Policy which states the following:

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 received for cab and chassis and have been included below:

Description	Contract Cost (excluding applicable HST)	Contract Cost (including applicable HST)
International Carrier Truck Center Inc	\$947,094.00	\$963,762.85
Freightliner Premier Truck Group	\$948,630.00	\$965,325.89
Western Star Team Truck Center	\$955,320.00	\$972,133.63

Although the price difference between the high and low bidder is \$8,370.78 (including applicable HST), Administration is recommending the cab and chassis be supplied by Western Star Team Truck Center based on equipment quality as well as the resale value being higher for this manufacturer.

If Council wishes to choose the lowest price submission and award the contract to Viking-Cives Ltd in the amount of \$963,762.85 to supply the cab & chassis by

International Carrier Truck Center Inc the recommendation would require a modified recommendation.

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)
Western Star Team Truck Center	\$972,133.63	\$1,000,000.00	\$55,732.74
Total	\$972,133.63		\$55,732.74

The pricing provided for this vehicle from Viking-Cives Ltd will be honored until the end of April 2025.

Based on the above, Administration recommends that Council award the contract to Viking-Cives Ltd in the amount of \$972,133.63 (including applicable HST).

Based on the statement below provided by the vendor (Viking-Cives Ltd), the under amount of \$55,732.74 will still be available in the event tariffs or other unforeseen economic global conditions do not adversely affect the cost of these vehicles at the time of order

“Due to global economic conditions beyond our control, including potential changes in tariffs or trade policies, pricing on this quotation may no longer be valid at time of order.”

If the above impact remains within the allocated budget after application of these additional fees, Administration will return a lesser amount to the Vehicle and Equipment Reserve, however in the event the applicable fees may be over the budget amount, then approval will be obtained by Council for any additional fees required to be paid by the Vehicle and Equipment Reserve for this equipment.

Report Approval Details

Document Title:	2025 Contract Award for the Purchase of Two (2) Large Fleet Equipment.docx
Attachments:	
Final Approval Date:	Apr 22, 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