



Report to: General Committee

Meeting Date: January 20, 2020

SUBJECT: Award of Tender 103-T-19 Supply and Delivery of Two (2) Tandem Axle Plow/Dump Combination Trucks

PREPARED BY: Raymond Law, Sr. Manager – Business, Fleet & Public Realm, Ext 4852
Melita Lee, Senior Buyer, Ext 2239

RECOMMENDATION:

1. That the report entitled “Award of Tender 103-T-19 Supply and Delivery of Two (2) Tandem Axle Plow/Dump Combination Trucks” be received; and,
2. That the contract for Tender 103-T-19 Supply and Delivery of Two (2) Tandem Axle Plow/Dump Combination Trucks be awarded to the lowest priced bidder, Tallman Truck Centre Limited, in the amount of \$593,796.06, inclusive of HST; and,
3. That the award in the amount of \$593,796.06 be funded from project #19207 Corporate Fleet Replacement (account 057 6150 19207 005), with available budget of \$548,020.00; and,
4. That the budget shortfall in the amount of \$45,776.06 (\$593,796.06 - \$548,020.00) be funded from the Life Cycle Capital and Replacement Reserve Fund; and further,
5. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

EXECUTIVE SUMMARY:

Not applicable.

PURPOSE:

The purpose of this report is to award the contract for the Supply and Delivery of Two (2) Tandem Axle Plow/Dump Combination Trucks.

BACKGROUND:

The vehicles being procured in this report will be equipped with a seasonal dump body, plow, wing, and spreader with pre-wet system. The vehicles are to be used for snow clearing, snow hauling, and material application.

The units being replaced (1264 and 1267) will be sold upon delivery of the new units in accordance with Purchasing By-Law 2017-8, Part V, Disposal of Personal Property. Proceeds will be posted to account 890 890 9305 (Proceeds from the Sale of Other Fixed Assets).

Tender Information (103-T-19)

Bid closed on	November 4, 2019
Number picking up bid document	4
Number responding to bid	1

Since an International Truck chassis was specified, only authorized distributors of such chassis could submit a bid. Historically, for Tandem Axle Plow/Dump Combination Trucks, which specify international truck chassis, the City only attains two bid submissions (Tallman Truck Centre Limited and Altruck International Truck Centres).

While there are various distributors within Canada and the United States, the distributors tend to work within a certain territory. This reduces the number of possible suppliers, which staff believe is the reason there was only one submission.

Of the three suppliers that picked up the bid document but did not submit a bid, two indicated that they are considered sub-contractors and do not provide bids for the entire truck. The third indicated they did not bid because they considered Markham outside their territory as an International truck chassis dealer.

Pricing Summary

Bidder	Bid Price (Inclusive of HST)
Tallman Truck Centre Limited	\$593,796.06

FINANCIAL CONSIDERATIONS

The award in the amount of \$593,796.06 will be funded from project #19207 Corporate Fleet Replacement (account 057 6150 19207 005), with available budget of \$548,020.00. The budget shortfall in the amount of \$45,776.06 (\$593,796.06 - \$548,020.00) will be funded from the Life Cycle Capital and Replacement Reserve Fund.

The budget shortfall in the amount of \$45,776 (\$22,888/truck) or 8.4% can be attributed to the following factors:

- The price of raw materials, including steel, has increased at a higher rate than inflation
- The budget was based on procuring the units from a Canadian supplier and paying in Canadian funds. The budget did not anticipate the exchange rate increase for the chassis and hydraulic components that are both manufactured in USA

The City may qualify for a one-time rebate from consolidated fleet solutions in the amount of \$1,000 per vehicle. The City will pursue this rebate incentive and any rebate received will be credited back to the respective capital project.

OPERATING BUDGET AND LIFE CYCLE IMPACT

There is no incremental impact to the operating budget as the vehicles being procured are replacing existing units. The Life Cycle Reserve Study will be reviewed and updated accordingly based on award prices.

HUMAN RESOURCES CONSIDERATIONS

Not applicable.

ALIGNMENT WITH STRATEGIC PRIORITIES:

Not applicable.

BUSINESS UNITS CONSULTED AND AFFECTED:

Not applicable.

RECOMMENDED BY:

Morgan Jones
Director, Operations

Brenda Librecz
Commissioner, Community & Fire
Services

ATTACHMENTS:

Not applicable.