



Report to: General Committee

Meeting Date: May 24, 2022

SUBJECT: 047-T-22 Supply and Delivery of Four (4) Three Ton Flatbeds Equipped with Plows
PREPARED BY: Melita Lee, Senior Buyer, Ext. 2239
Tanya Lewinberg for Raymond Law, Sr. Manager – Business, Fleet & Public Realm, Ext 4852

RECOMMENDATION:

- 1) That the report entitled “047-T-22 Supply and Delivery of Four (4) Three Ton Flatbeds Equipped with Plows” be received; and,
- 2) That the contract for the supply and delivery of four (4) three ton flatbeds equipped with plows be awarded to the lowest priced bidder, Downtown Autogroup, in the total amount of \$471,410.40, inclusive of HST; and,
- 3) That the award in the amount of \$471,410.40 be funded from project #22170 Corporate Fleet Replacement – Non-Fire (account 057-6150-22170-005) with a budget available of \$386,180.00 and,
- 4) That the budget shortfall in the amount of \$85,230.40 (\$471,410.40 - \$386,180.00) be funded from the Life Cycle Replacement and Capital Reserve Fund; and further,
- 5) That Staff be authorized and directed to do all things necessary to give effect to this resolution.

PURPOSE:

The purpose of this report is to obtain Council approval to purchase four (4) three ton flatbeds (2023 Ford F-550) equipped with plows to replace existing units #1250, 3336, 3374 and 3375.

BACKGROUND:

The four (4) vehicles being procured in this report are used by Parks and Roads for hot and cold patch, hauling aggregate, moving project waste, during the summer and in winter are equipped with plow and salter for winter snow clearing.

The units being replaced (#1250, 3336, 3374 and 3375) will be sold upon delivery of the new unit 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).

OPTIONS/ DISCUSSION:**Tender Information (047-T-22)**

Bid closed on	March 25, 2022
Number picking up bid document	8
Number responding to bid	4

Bids received in response to this Request for Tender exceeded the City's budget. Consequently, Staff attempted to enter into negotiations with the low bidder, however they were unable to reduce their pricing.

FINANCIAL CONSIDERATIONS

The award in the amount of \$471,410.40 will be funded from project #22170 Corporate Fleet Replacement – Non-Fire (account 057-6150-22170-005), with available budget of \$386,180.00.

The budget shortfall in the amount of \$85,230.40 (\$471,410.40 - \$386,180.00) will be funded from the Life Cycle Replacement and Capital Reserve Fund with a current balance of \$166,175.

Under this award report, the cost of each vehicle is \$21,307.60 or 22% over budget (\$21,307.60 x 4 = \$85,230.40).

The vehicle industry is experiencing a significant increase in prices for new and used vehicles. In recent City tenders we have experienced delivery schedules longer than anticipated and pricing greater than originally budgeted. This is mostly attributed to the impacted supply chains restricting availability due to the ongoing COVID-19 pandemic.

Staff reviewed the option of deferring these units, however, based on a condition assessment of current units and the delivery date of March 2023 for these four (4) units, Staff recommend proceeding with the award.

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 price.

HUMAN RESOURCES CONSIDERATIONS

Not applicable.

ALIGNMENT WITH STRATEGIC PRIORITIES:

The vehicles ensure that Operations can carry out their Municipal Services as required.

BUSINESS UNITS CONSULTED AND AFFECTED:

Financial Services Department has been consulted in preparation of this report.

RECOMMENDED BY:

Alice Lam
Director, Operations

Morgan Jones
Commissioner, Community Services

ATTACHMENTS:

Not applicable