



Report to: General Committee

Meeting Date: October 24, 2023

SUBJECT: 041-T-23 Supply and Delivery of One (1) Bucket Truck
PREPARED BY: Melita Lee, Senior Buyer, Ext. 2239
Steven Dollmaier, Sr. Manager, Roads & Fleet, Ext. 2748

RECOMMENDATION:

1. That the report entitled “041-T-23 Supply and Delivery of One (1) Bucket Truck” be received; and,
2. That for contract for 041-T-23 supply and delivery of one (1) bucket truck:
 - a. The contract be awarded to the lowest priced bidder, Allan Fyfe Equipment Ltd., in the total amount of \$389,532.19, inclusive of HST; and,
 - b. The award in the amount of \$389,532.19 be funded from project #23020 Corporate Fleet Replacement – Non-Fire (account 057-6150-23020-005) with a 2023 budget available of \$240,100.00; and,
 - c. The budget shortfall in the amount of \$149,432.19 (\$389,532.19 - \$240,100.00) be funded from the Life Cycle Replacement and Capital Reserve Fund; and further,
3. 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 one (1) bucket truck to replace existing unit #3238.

The anticipated delivery date for this bucket truck is March 2025.

BACKGROUND:

The bucket truck being procured in this report will be used by Parks for the management of the City urban forest, including all City park, street, and facility trees. Management includes inspections, pruning and tree removals.

The original tender included a request for the supply and delivery of two (2) bucket trucks, however after further review and consideration, only one unit is being procured at this time, due the recent appraisal completed by the City Fleet Technicians along with the review of the maintenance costs and usage of the vehicle. The one existing unit can continue to be used for an additional 1-3 years.

The unit being replaced (#3238) 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 back to Life Cycle under account 890 890 9305 (Proceeds from the Sale of Other Fixed Assets).

OPTIONS/ DISCUSSION:**Tender Information (041-T-23)**

| | |
|--------------------------------|---------------|
| Bid closed on | July 11, 2023 |
| Number picking up bid document | 5 |
| Number responding to bid | 3* |

*Two of the bids received were declared non-compliant as the proposed units did not meet the mandatory requirements and specifications set out in the Request for Tender.

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 for 041-T-23 in the amount of \$389,532.19 will be funded from project #23020 Corporate Fleet Replacement – Non-Fire (account 057-6150-23020-005), with available 2023 budget of \$240,100.00.

Staff recommend that the budget shortfall in the amount of \$149,432.19 (\$389,532.19 - \$240,100.00) be funded from the Life Cycle Replacement and Capital Reserve Fund.

Under this award report, the cost of the bucket truck is \$149,432.19 or 62.24% over budget.

Budget Shortfall

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 after COVID-19 pandemic.

Additionally, since the last time the City procured a bucket truck (2012), the budget has been increased annually by an incremental amount (approx. 3% each year), whereas, industry prices for this type of unit have increased more substantially over the last 11 years.

Staff reviewed the option of deferring this unit, however, based on a condition assessment of current unit, high maintenance costs and the lengthy delivery dates (March 2025), Staff recommend proceeding with the award.

Below is the maintenance cost per replacement asset value analysis for the current unit:

| | |
|---|-----------|
| Asset #3238 | |
| YTD Maintenance cost | \$140,000 |
| Replacement asset value | \$389,533 |
| TMC per RAV (%) [YTD Maintenance Cost (\$) ÷ Replacement Asset Value (\$)] | 36% |
| Age (Yrs) | 10 |
| Average RAV % per year | 3.6% |

Over 3% of RAV per year means that repairing this unit is not economical and cannot maintain its productivity. Therefore, replacement is strongly recommended.

OPERATING BUDGET AND LIFE CYCLE IMPACT

This is a Capital Project funded from the Life Cycle. The Life Cycle Reserve Study will be reviewed and updated accordingly based on award prices as part of the 2024 update. There is no incremental impact to the operating budget as the vehicle being procured is replacing an existing unit.

HUMAN RESOURCES CONSIDERATIONS

Not applicable.

ALIGNMENT WITH STRATEGIC PRIORITIES:

The vehicle ensures 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