



Report to: General Committee

Meeting Date: March 4, 2025

SUBJECT: 051-S-25 Supply & Delivery of One Single Axle Truck and One Tandem Axle Truck

PREPARED BY: Steven Dollmaier, Sr Manager Roads & Fleet, Operations, Ext. 2275
Albert Chan, Manager, Fleet, Operations, Ext. 2041
Melita Lee, Senior Buyer, Ext. 2239

RECOMMENDATION:

- 1) That the report entitled “051-S-25 Supply & Delivery of One Single Axle Truck and One Tandem Axle Truck” be received; and,
- 2) That the contracts for the supply and delivery of one single axle truck be awarded as follows:
 - a) Supply and delivery of one truck and chassis be awarded to Premier Truck Group in the amount of \$171,045.85 inclusive of HST; and,
 - b) Supply, installation, delivery and upfit of the winter control equipment on this one truck and chassis be awarded to Viking Cives in the amount of \$214,159.01 inclusive of HST; and,
 - c) That the total award amount for one single axle truck of \$385,204.86 (\$171,045.85 + \$214,159.01) inclusive of HST be funded from capital project #25192 (057-5350-25192-005 New Fleet - Main Street Unionville) with available budget of \$420,900.00; and,
- 3) That the budget remaining for the one single axle truck (project #25192) in the amount of \$35,695.14 (\$420,900.00 - \$385,204.86) be retained in the project for any future unforeseen related expenditure, with any remaining surplus budget being returned to the original funding source at the time of project closure; and,
- 4) That the contracts for the supply and delivery of one tandem axle truck be awarded as follows:
 - a) Supply and delivery of one truck and chassis be awarded to Premier Truck Group in the amount of \$220,063.64 inclusive of HST; and,
 - b) Installation and upfitting of the winter control equipment on this truck and chassis be awarded to Viking Cives in the amount of \$220,920.96, inclusive of HST; and,
 - c) That the total award amount of \$440,984.60 (\$220,063.64 + \$220,920.96) inclusive of HST be funded from capital project #24418 (057-6150-24418-005 Corporate Fleet Replacement – Non-Fire) with available budget of \$494,739.00; and,
- 5) That the budget remaining for the tandem axle truck (project #24418) in the amount of \$53,754.40 (\$494,739.00 - \$440,984.60) retained in the project for any future unforeseen related expenditure, with any remaining surplus budget being returned to the original funding source at the time of project closure; and,

- 6) That the tendering process be waived in accordance with Purchasing By-Law 2017-18, Part II, Section 11.1
 - (e) where the City is acquiring specialized vehicles or equipment...in which case the sources of supply may be identified based on technical specifications prepared by the User Department...; and,
 - (g) where it is in the City's best interest not to solicit a competitive Bid; and further,
- 7) 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 award the contract for one single axle truck (new for Main Street Unionville) and one tandem axle truck (replacement) complete with plow, wing and combination dump/spreader.

It is anticipated that the delivery of these trucks be completed by March 31, 2027.

BACKGROUND:

The single axle and tandem axle trucks being procured in this report will be used for both summer and winter maintenance operations.

The single axle truck is a new addition to the City's existing fleet, specifically for use at Main Street Unionville featuring interlock roadway after reconstruction.

The tandem axle truck replaces unit #1276, which 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:

In June 2023, the City issued Request for Tender (RFT) 047-T-23 for the supply and delivery of two single axle trucks complete with plow, wing and combination dump/spreader. The tender requested the combined truck and chassis to be supplied and delivered from a single vendor. At this time, the City received a single bid and was 38.5% (or \$224,235.24) over the City's budget. The tender was subsequently cancelled due to budget constraints and a new procurement strategy was developed.

Following the cancellation of the above noted tender, Procurement and Fleet made the conscious decision to change the procurement strategy and purchase the truck/chassis and the upfit of the winter control equipment separately from different vendors, which resulted in attaining lower overall costs. Fleet will handle project management rather than vehicle dealerships, including detail specifications design and option selection, as well as truck transportation arrangements between manufacturer sites.

In April 2024, Council approved the purchase of two single axle trucks and one tandem axle truck complete with plow, wing and combination dump/spreader utilizing this new strategy and by doing so, the City attained a reduction of \$40,000 per truck.

The challenges are still ongoing within the automotive industry with availability and pricing, therefore staff are recommending purchasing the single axle truck and tandem axle truck utilizing the same rationale and procurement methodology from the same vendors. As these vehicles are critical to the City's winter operations and have a two-year build, it is important that there is no further delay in the purchase of the replacements.

Cost

In comparison to the previous contract award from 2024, the price under this contract represents a 5.85% increase (or \$21,274.97) for a single axle truck and a 4.93% increase (or \$20,737.67) for a tandem axle truck. The increases are reasonable when taking into consideration recent escalations for:

- CPI for All Items Canada for the 12-month period ending December 2024 calculated at 1.83%.
- Exchange rate USD/CAD increased 5.7% over the past 12 months; and
- Steel prices (material required to build chassis) increased by 3% within the past 8 months (July 2024 to Feb 2025).

Limited Vendors

These types of vehicles have limited manufacturers, through the 2023 Tender process, only one bid was received, which was significantly overbudget. Additionally, a local municipality closed a recent tender and also received one submission.

FINANCIAL CONSIDERATIONS

Account Name	Account #	Budget Available for this Purchase	Cost of Award	Budget Remaining
New Fleet - Main Street Unionville	057-5350-25192-005	\$ 420,900.00	\$ 385,204.86	\$ 35,695.14
Corporate Fleet Replacement - Non-Fire	057-6150-24418-005	\$ 494,739.00	\$ 440,984.60	\$ 53,754.40
Total		\$ 915,639.00	\$ 826,189.46	\$ 89,449.54

Staff recommend to retain the remaining budget in both projects #25192 and #24418 in the amount of \$89,449.54, until project closure, at which time any budget remaining will be returned back to the original funding source.

OPERATING & LIFE CYCLE IMPACT

Capital project #25192 – New Fleet – Main Street Unionville is funded wholly from the DC (Development Charges) Reserve. Capital project #24418 – Corporate Fleet Replacement – Non-Fire is a 2024 in-year capital addition funded from the Life Cycle.

The next update of the Life Cycle will include the updated pricing for both of these vehicles. The total operating impact for the new single axle truck for use at Main Street Unionville is \$30,048 (fuel, vehicle parts, external vehicle maintenance etc.) and will be added to the Fleet operating budget as part of the 2026 operating budget process, subject to budget adoption. There is no incremental operating budget impact for the replacement of unit #1276.

PEOPLE SERVICES CONSIDERATIONS

Not applicable

ALIGNMENT WITH STRATEGIC PRIORITIES:

Not applicable

BUSINESS UNITS CONSULTED AND AFFECTED:

Financial Services Department have been consulted in the preparation of this report.

RECOMMENDED BY:

Alice Lam, Director
Operations

Morgan Jones, Commissioner
Community Services

ATTACHMENTS:

Not applicable