

# The Corporation of the City of Kawartha Lakes

## Council Report

Report Number PUR2017-004

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**Date:** January 24, 2017

**Time:** 2:00 p.m.

**Place:** Council Chambers

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**Ward Community Identifier:** ALL

**Subject:** Tender 2016-103-CT Supply and Delivery of  
Two Single Axle Plow Trucks

**Author:** Karen Buckley  
Buyer

**Signature:**

**Co-Author:** Todd Bryant  
Manager, Fleet Services

**Signature:**

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### Recommendation(s):

**RESOLVED THAT** Report PUR2017-004, **Tender 2016-103-CT Supply and Delivery of Two Single Axle Plow Trucks**, be received;

**THAT** Winslow Gerolamy Motors Ltd., of, Peterborough, be selected for the award of Tender 2016-103-CT Supply and Delivery of Two Single Axle Plow Trucks for the tender price of \$477,348.00 plus HST;

**THAT** the additional funds required for Project FT1711 in an amount up to \$40,000 be funded from the Fleet Reserve;

**THAT** the Purchasing Division be authorized to issue a purchase order.

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**Department Head:**

**Corporate Services Director / Other:**

**Chief Administrative Officer:**

## **Background:**

The 2017 approved capital budget (FT1711) allocated \$460,000 for the purchase of two single axle trucks.

These units are to be used for a variety of functions within Public Works division from ditching and brushing activities to shoulder and road maintenance. Plow trucks are primarily used for winter control activities, and on average are utilized 550 hours each per year (2016 average).

Tender 2016-103-CT was released for advertising in accordance with the Purchasing Policy.

The tender closed on Thursday, December 22, 2016, and was opened in public by Judy Currins, City Clerk and Karen Buckley, Buyer, with the following results:

<b>Tenders Received From:</b>	<b>Tender Amount Read at Opening (incl. HST)</b>
Winslow Gerolamy Motors Ltd. Peterborough	\$539,403.24
Surgenor Truck Group Belleville	\$562,038.07

In accordance with the purchasing policy, the results of a competitive procurement process are considered to be irregular when fewer than three submissions are received. The award of an irregular bid shall be approved in accordance with the Table of Authority 4.04, in this case Council approval is required as the purchase cost is over \$100,000.00.

Tenders were checked for mathematical errors and compliance to the tender request.

## **Rationale:**

The single axle plow trucks requested through the tender are replacements for two, fifteen (15) year old tandem axle trucks that have surpassed their life expectancy.

The lowest compliant bid received through the competitive procurement process for the two single axle plow trucks came in over-budget by \$25,749.32.

An additional \$5,000.00, per truck is required once the units are received in order to outfit each with GPS, signage, and configuration of the plow control modules, etc. bringing the total additional amount required to \$35,749.32.

## Other Alternatives Considered:

As the bids received, came in over budget, Council could consider purchasing one plow truck in 2017 and keep one of the existing trucks scheduled for replacement on the road for another year. The costs associated with keeping this vehicle roadworthy for its intended use for an additional year would be approximately \$25,000.00 for maintenance and repair in order to ensure this unit would be safe for operation and ready for service.

Staff, do not recommend this alternative as the maintenance and repair to keep one existing fifteen year old truck operational for one winter season versus the outright purchase of the replacement unit, is relatively the same. By delaying the purchase of the replacement truck this year, may end up costing more in the long run due to annual increases with respect to labour and material costs.

## Financial Considerations:

Project FT1711 was approved in the 2017 Capital Budget with a total budget of \$460,000. The table below shows the balance of the project once this tender is awarded.

Capital Project Number	Capital Project Budget	*Other Committed Funds	Capital Project Balance	Tender Amount (incl. HST)	HST Rebate	Total Tender Cost	Capital Project Balance
FT1711	\$460,000	\$10,000	\$450,000	\$539,403	(\$53,654)	\$485,749	(\$35,749)

\*Other committed funds will be used to outfit the truck with required items, such as a GPS unit, decals and configure plow control modules.

Reserve funds can only be used if Council has given approval, staff recommend an upset limit of \$40,000. The current balance in the Fleet Reserve after the transfer for the funding of this project the balance will be \$1,311,532.53. Therefore there are sufficient funds to cover this request.

Any surplus remaining after the project is completed will be reported in the Capital Close Report provided by the Treasury Department in accordance with the Capital Close Policy.

**Relationship of Recommendation(s) To The 2016-2019 Strategic Plan:**

While there is no direct link to the Strategic priorities, this purchase addresses the strategic enablers of Municipal Service Excellence and Efficient Infrastructure and Asset Management.

**Review of Accessibility Implications of Any Development or Policy:**

Not Applicable

**Servicing Comments:**

Not Applicable

**Consultations:**

Laurie Lawder, Financial Coordinator, Public Works & Community Services

**Attachments:**

Not applicable

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**Department Head:** Bryan Robinson, Director of Public Works

**Department File:** 2016-103-CT