

The Corporation of the City of Kawartha Lakes

Council Report

Report Number PUR2017-017

Date: February 21, 2017

Time: 2:00 p.m.

Place: Council Chambers

Ward Community Identifier: All

Subject: 2017-12-CP Supply and Delivery of One New, Non-current or Used Backhoe, Grader and Loader

Author/Title: Karen Buckley
Buyer

Signature:

Co-Author: Todd Bryant
Buyer

Signature:

Recommendation(s):

RESOLVED THAT Report PUR2017-017, **Supply and Delivery of One New, Non-current or Used Backhoe, Grader and Loader**, be received;

THAT Nortrax Canada Inc. of Peterborough, being the highest scoring proponent, be selected for the award of Request for Proposal 2017-12-CP for the Supply and Delivery of One New, Non-current or Used Backhoe, Grader and Loader for a total cost of \$721,157.42, plus HST;

THAT the additional funds required for Project 9914170201 in an amount up to \$16,000 be funded from the Fleet Reserve;

THAT the additional funds required for Project 9914170401 in an amount up to \$10,000 be funded from the Fleet Reserve; and

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

Department Head:

Corporate Services Director / Other:

Chief Administrative Officer:

Background:

The 2017 approved capital budget allocated funds for the replacement of heavy equipment, specifically, a backhoe, grader and landfill loader that have reached their life expectancy.

These pieces of equipment provide a variety of mandatory and necessary day to day functions. The backhoe is used for loading of many types of product, sweeping activities, packing roadway plates during roadway activities and ditching activities. The grader will be used to grade and crown gravel roadway surfaces and ice-blading in the winter. The landfill loader will be used to break up debris, load trucks with refuse for disposal and cleaning roadways in the landfill.

Request for Proposal 2017-12-CP for the supply and delivery of one new, non-current or used backhoe, grader and loader was released for advertising in accordance with the City's Purchasing Policy.

The RFP closed on February 2, 2017 and was opened in public by Jane Pyle, Executive Assistant to the CAO and Karen Buckley, Buyer with the following results:

Companies Submitting Bids
Nortrax Canada Inc. Peterborough
Strongco Limited Partnership Mississauga
Toromont Industries Ltd Concord
Bob Mark New Holland Lindsay

A notice to Decline to Bid was received from Marcel Equipment stating that due to an out of town emergency they were unable to provide a bid at this time.

Proposals received were evaluated and scored on delivery timelines, technical specifications, warranty and cost of equipment, as well as service record history on used equipment.

Rationale:

The City requested bids for new, current year models, or non-current models (new machine, never used from 2014 - 2016) as well as used equipment. In order to obtain the best overall value for the City, the bid document was released as a request for proposal so each piece of equipment could be evaluated on its own merit under the criteria specified in the bid document.

The committee reviewed and evaluated the equipment on its technical specifications, delivery timelines, warranty and cost. In the case of the used equipment the evaluation was also on the history of previous service records that showed detailed dates and requirements for preventative maintenance and actual repairs and service to each unit.

After completion of the evaluation, Nortrax Canada Inc. was the highest scoring proponent on all three pieces of equipment therefore staff recommends that Nortrax Canada Inc. be selected for the award to supply and deliver a new backhoe, a used grader and a new landfill loader at a total award cost of \$721,157.42, plus HST.

Other Alternatives Considered:

No other alternatives are being considered at this time as the recommendation was achieved through a fair, open and transparent competitive procurement process.

Financial Considerations:

Funds for the purchase of the Backhoe, Grader and Loader were approved in the 2017 Capital Budget and are noted in the table below.

Capital Project Number	Capital Project Budget	Other Committed Funds	Capital Project Balance	Total Amount (incl. HST)	HST Rebate	Total Cost	Capital Project Balance
994170201 Backhoe	\$150,000	\$4,000	\$146,000	\$179,287	(\$17,833)	\$161,454	(\$15,454)
994170401 Grader	\$300,000	\$4,000	\$296,000	\$338,801	(\$33,700)	\$305,101	(\$9,101)
994170601 Loader	\$375,000	\$79,000	\$296,000	\$296,819	(\$29,524)	\$267,295	\$28,705
Total	\$825,000	\$87,000	\$738,000	\$814,907	(\$81,057)	\$733,850	\$4,150

Other committed funds include \$4,000 per unit for GPS, decalling, radio equipment and auto greasers for each of the pieces of equipment. Also included in the Loader Project is \$75,000 as this approved budget includes work on another unit, this work will be awarded as a separate contract.

Capital project 994170201 for the purchase of a backhoe currently has a budget deficit in the amount of \$15,454 and Capital project 994170401 for the purchase of the grader has a deficit of \$9,101. Reserve funds can only be used if Council

has given approval, staff recommend an upset limit of \$16,000 to Project 99170201 and an upset limit of \$10,000 to Project 994170401 from the Fleet Reserve. The balance in the Fleet Reserve after the transfer of the funding required for these projects will be \$1,225,532.53. Therefore there are sufficient funds to cover this request.

Upon completion of the projects, any remaining surplus or deficit will be dealt with through the Capital Close report presented to Council 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 does address 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 and Community Services

Attachments:

No attachment

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Department Head: Bryan Robinson, Director of Public Works

Department File: 2017-12-CP