



Committee Report

To:	Warden McQueen and Members of Grey County Council
Committee Date:	October 22, 2020
Subject / Report No:	TR-CW-22-20
Title:	Capital Equipment Purchase Prior to Budget Approval
Prepared by:	Steven Dollmaier, Maintenance Manager Sharon Melville, Buyer
Reviewed by:	Pat Hoy, Director of Transportation Services
Lower Tier(s) Affected:	
Status:	Recommendation adopted by Committee as presented per Resolution CW181-20; Endorsed by County Council November 12, 2020 per Resolution CC87-20;

Recommendation

1. **That Report TR-CW-22-20 regarding Capital Equipment Purchase prior to 2021 Budget Approval be received; and**
2. **That staff be authorized to issue the tender for two tandem trucks prior to 2021 budget approval due to delivery time constraints in accordance with Section 3.3 (c) of the Purchasing Policy.**

Executive Summary

Transportation Services staff is requesting permission to tender for two tandem trucks prior to 2021 budget approval.

Background and Discussion

Section 10.1 Reporting to Council of the Purchasing Policy states that items requiring pre-budget approval must be reported to Council in order to have the expenditure authorized via resolution. Section 3.0 Authorization of the policy states that staff is authorized to procure up to fifty percent of gross expenditures contained in the first year of the Ten Year Capital Forecast Plan prior to the annual budget being approved, once Council has authorized these capital expenditures via resolution.

The purpose of this early tender date is to expedite the delivery of the units to ensure that they are available for use during the 2021/2022 winter season. History has shown that delivery takes seven to nine months from the date of purchase.

Staff is recommending the replacement of two tandem trucks. The 2009 tandem trucks which are at the end of scheduled 12-year life cycle will be offered to the member municipalities for purchase and/or auctioned following the arrival of the two new tandem trucks.

Staff are also recommending deferring the purchase of two tandem roll-off trucks to the 2023 Capital Budget instead of purchasing them in 2021. This will allow time to complete a full assessment and review of the two-tandem roll-off trucks received in February 2020.

The two tandem trucks will be tendered with stainless steel dump bodies. Since purchasing tandem trucks with these boxes in 2017, stainless steel continues to be the preferred choice of box material.

A route analysis has shown that tandem trucks are the appropriate vehicle in both material space and agility to undertake winter maintenance.

Legal and Legislated Requirements

None.

Financial and Resource Implications

These units have been submitted for replacement in the Machinery portion of the Ten-Year Capital Forecast.

The gross expenditures amount contained in the first year (2021) of the current Transportation Services Ten-Year Capital Forecast Plan is \$23,357,800.

Each of the two tandem trucks are estimated to cost \$323,650 for a total of \$647,300, which is 2.77% of the proposed gross expenditures in the Transportation Services 2021 capital forecast plan. The total percentage of gross expenditures to be used before the approval of the 2021 Budget, including the two tandem trucks, would be 39.04%. The two construction projects, which will be tendered by the Engineering Division, will make up the difference of 36.27%.

Capital Cost	
Cost of one Tandem net HST (scheduled for 2021)	\$323,650
Total Cost net HST (scheduled for 2021)	\$647,300

Relevant Consultation

Internal
Finance Department

External

Appendices and Attachments

None.