

Report TR-TAPS-04-15

To: Chair and Members of the Transportation and Public Safety Committee
From: Ron Parkin, Maintenance Manager
Meeting Date: December 18, 2014
Subject: **Capital Purchasing Prior to 2015 Budget Approval - Equipment**
Status: Recommendation adopted by Committee as presented per Resolution TAPS05-15; Endorsed by County Council January 6, 2015 per Resolution CC22-15;

Recommendation(s)

WHEREAS the 2015 budget has not yet been approved;

AND WHEREAS section 10.0, 10.1 f) of the purchasing procedure states that items requiring pre-budget approval must be reported to Council in order to have the expenditure authorized via resolution;

AND WHEREAS as per section 3.3 c) of the purchasing procedures, staff is authorized to procure up to fifty percent of gross expenditures contained in the first year of the current Five Year Capital Expenditure Forecast, prior to the annual budget being approved, once Council has authorized via resolution;

NOW THEREFORE BE IT RESOLVED THAT Report TR-TAPS-04-15 be received and that staff be authorized to let tenders for:

- 1. Two (2) - Half Ton Pickup Trucks**
- 2. One (1) - Single Axle Cab and Chassis Truck with Dump Box**

Background

Staff is seeking to tender for two (2) half ton pickup trucks and a single axle truck prior to 2015 budget approval.

Section 10.1 f) of the purchasing procedure states that items requiring pre-budget approval must be reported to Council in order to have the expenditure authorized via resolution. In section 3.3 c) of the procedure, it states that staff is authorized to procure up to fifty percent of gross expenditures contained in the first year of the current Five

Year Capital Expenditure Forecast, prior to the annual budget being approved, once Council has authorized these capital expenditures via resolution, the tenders can be released for bidding by contractors.

If the trucks are tendered early in the new year it will be able to obtain 2015 models that are typically less expensive than the 2016 models.

The five year budget included \$56,000 for a used single axle truck; however, after investigating the possibility to purchase a used vehicle, it was determined that it would be very difficult to secure a used single axle truck with the required options. If a used truck was purchased and retrofitted with the required options, the overall price would be approaching that of a new vehicle. There is adequate money available in the reserve to accommodate the additional \$39,000.

The Five Year Capital Expenditure Forecast within Report TR-TAPS-45-14, and as accepted by Council July 8, 2014, identified a gross capital expenditure for 2015 of \$366,000 for gross equipment expenditures.

Financial / Staffing / Legal / Information Technology

Considerations

The 2015-2019 Five Year Capital Expenditure Forecast for Equipment was presented with a gross expenditure of \$366,000 for the 2015 year.

The projected cost for the two half ton pickup trucks is estimated to be \$30,000 each and a single axle truck with dump body is \$95,000 for a total of \$155,000.

The \$155,000 worth of tender would represent forty-two percent of the 2015 Five Year Capital Forecast for Machinery and as a result be within the Grey County Purchasing policy.

Link to Strategic Goals / Priorities

The values statement of the approved Corporate Strategic Plan includes fiscal responsibility. Consistent application of the purchasing policy requirements focuses on the commitment to ensure effective and efficient processes, which offer prudent use of public funds.

Respectfully submitted by,

Ron Parkin,
Maintenance Manager

Director Sign Off: *Mike Kelly, Director of Transportation Services*

Attachment

[TR-TAPS-45-14 Transportation Services – 2015 Draft Five Year Capital Forecast](#)